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Class No.....

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The Northern Countries

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THE FOREIGN MINISTRIES OF DENMARK, FINLAND,
ICELAND, NORWAY, AND SWEDEN

The sections of this book have been arranged according to the same general plan, but there are, of course, variations stemming from differences between the countries themselves.

Burnett Anderson has been responsible for the final form of the text.

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Introduction

An English writer who travelled in Scandinavia a couple of years ago came home to Great Britain and explained that Denmark was a single big, green meadow with a grazing cow, while Sweden, on the other hand, was a single big spruce tree beside a single big lake.

The exaggeration was monumental, but monumental exaggerations can sometimes contain a germ of truth.

With a little effort the picture could be extended by saying that Norway is a single snow-covered mountain by a single bottomless fjord, while Finland is a single picturesque log cabin on a single narrow isthmus and Iceland a single geyser in an ocean. It would thereby be established that each of the northern lands present landscapes that would be hard to duplicate in the others. One who has seen idyllic Denmark has not thereby acquired the slightest idea of what dramatic Norway looks like. One who has seen the barren parts of Finland, "the land of a thousand lakes," does not therefore know anything about unique and beautiful volcanic Iceland.

The cultures of these countries vary considerably in the same way. Norway's public life has a defiant, battling, debate-filled tradition which separates itself from Sweden's slightly bureaucratic, ceremonious approach, from Denmark's quiet but biting satire, from Finland's basic seriousness. Iceland's public life is shaped by the fact that the entire population is no larger than that of a middle-sized European city. It means much geographically whether one is located on the periphery or in the middle of such a collection of neighbors. Sweden is in the middle and is largest in population, it seeks to follow a middle-of-the-road policy. Finland is furthest to the east, Iceland and Norway reach far out into the Atlantic, while Denmark represents Scandinavia's border on Germany. Sometimes geographical differences have left

political traces. The differences, in fact, are many; sometimes they are actually contrasts. But the similarity, above all in spiritual foundations, is still the dominating characteristic. The countries are related economically, but with all their neighborliness they sometimes appear as competitors in the world market.

The combination of forces at play in these resemblances and differences is so lively that the Northern Countries actually desire two things difficult to achieve and difficult to reconcile. For the first, they want people in the rest of the world to regard them as a unit; for the second, they want the rest of the world to be able to distinguish them. Are these two ambitions irreconcilable? No, the contradictions are not so great but what both can be satisfied simultaneously. Increased knowledge of the Northern Countries is the way to achieve both of these goals.

The partially mutual history of these five countries, which can be traced back until it is lost in the mists of pre-historic time, is only one aspect of their mutual racial origins. Whatever the extent to which the peoples have different origins—and the Finns and the Swedes are regarded as having different ancestry—they began to associate very early.

Through their kings, the Northern Countries have at times gained ascendancy over one another but never with permanent success. Finland has belonged with Sweden; Iceland and Norway have been counted as part of Denmark. Sweden and Denmark have sometimes been locked in such warlike tenacity that it was only with great difficulty that the combatants could be separated. There are famous and able Danish rulers who have very bad reputations in older Swedish history, and there are brilliant Swedish kings who are looked upon with the greatest skepticism in Denmark. One of the parts of Scandinavia, still a

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historic sight of international rank, one of the true historic treasures of the whole region, the Swedish island of Gotland and its walled medieval city of Visby, has actually been so long in Danish possession and so long in Swedish that the lines of tradition are tangled in a bewildering fashion.

It is manifest for every resident of the north who crosses the border to a neighboring country that he can make himself understood everywhere in his own language, if here and there with effort. Icelandic, Danish, Norwegian, and Swedish form the family of "northern languages," the latter three can be mutually understood with considerable ease and without special studies. A traveller to Finland has a different experience. Finnish belongs to the Finno-Ugric language group and has little in common with the Teutonic languages, but this obstacle is partially compensated by the fact that the country is bilingual, and part of the population still has Swedish for a mother tongue. The countries' internal similarities in regard to popular culture are strikingly great and range all the way from prehistoric implements and customs to the huge "popular movements," religious, ideological, and political, which flooded through the whole northern area during the nineteenth century, changed the popular mentality and made the people ready for the new, dynamic industrial society. The church in the northern countries is Lutheran, and it is closely associated with the state. Its inner life is characterized by vital popular movements in a way that forms great re-

semblances in structure. The strength of the labor movement in the northern lands is probably not duplicated elsewhere, and mutual co-operation between workers and employers has become an institution in all of them. Popular rule, the leveling out of classes and the spirit of practical co-operation, rests upon an unusually stable legal evolution—prehistoric northern legal rights have blended together with Christian moral commandments and Roman juridical practice in an exceptionally harmonious synthesis. "The North" is not and does not want to be a barricade but a living field for democratic culture.

Separated by water and by channels, by clearly distinguishable historical, cultural, and character differences, even political differences, four of the northern countries lie extensively spread out geographically but still like a well-combined unit near the cold top of the northern hemisphere. The Gulf Stream is their source of warmth, without it they would all have to live like primitive polar hunters, and their mutual relationship is their cultural and political support. They are related to each other by geographic, historical, and cultural forces in an unusually strong association. They are fully conscious of this rather unusual friendship which unites them, and they have nothing against being described and understood as a unity, "The North," so long as this summarizing phrase does not camouflage a lack of knowledge nor hinder them from being realistically regarded by the rest of the world as the rather distinct national units which they also are.

Note: Most monetary values are given in the currency of the country concerned. Official exchange rates are not always a reliable guide to purchasing power, but can be of some assistance in converting into other currencies. As of publication, the official rates for the pound and dollar were as follows:

	One dollar	One pound
Danish kroner	6.92	19.36
Finmarks	231.00	640.00
Icelandic króna	16.32	45.55
Norwegian kroner	7.14	19.98
Swedish kronor	5.18	14.50

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The Country

The most southerly of the Northern Countries, Denmark, is situated between 55° and 57° N. latitude and 8° and 15° E. longitude. With an area of 17 116 sq. miles, it is easily the smallest. It is not a compact land mass. From the Central European mainland the peninsula of Jutland projects northwards. The southern part of the peninsula has since 1864 formed part of Germany. The northern part is Danish, and this has an area of 9 186 sq. miles, or just over half of the total area of Denmark. The rest of the country is made up of 493 islands, of which 100 are inhabited. The largest are:

Sjælland (Zealand)	2 709 sq. miles
Fyn (Funen)	1 149 ' '
Lolland	479 ' '
Bornholm	227 ' '
Falster	198 ' '

The straits between these islands constitute the connection between the Baltic and the North Sea, and have been important international water-ways from ancient times. They also have great strategic importance. Jutland and Fyn are connected by a bridge 3 860 ft. long. Between Sjælland and Falster there is also a bridge—the Storstrøm Bridge—which is 10 534 ft. in length and the longest bridge in Europe. There are ferry connections between Fyn and Sjælland and between Sjælland and Sweden.

Denmark is low-lying; only in Bornholm does the bed-rock reach the surface. The subsoil in several places is composed of thick layers of chalk; the surface consists of moraines and deposits left by the melting glaciers of the Ice Age. The landscape is undulating, except in central Jutland, where there are extensive plains, mostly very sandy. Deep inlets cut into the Jutland peninsula; but there are few rivers and lakes. The elevation everywhere is low, and the highest point in Denmark is only 564 ft. Most of the

country is under cultivation; but there is some forest, all newly planted. Beech and oak predominate in the islands, but spruce and fir have been planted on the former extensive stretches of heathland in central and western Jutland. Towards the North Sea there are high sand-dunes, and in southern Jutland a small area of marshes. Denmark has a temperate, maritime climate with mild winters and comparatively cool summers. It is very windy, the prevailing winds being westerly. The inner Danish waters may in severe winters be frozen from the middle of January until the beginning of April. The west coast of Jutland is tidal, but no other part of Denmark.

The People

In 1945 in Denmark proper there was a population of 4 045 232, giving an average density of 363.8 to the sq. mi. The density is greatest in Sjælland, where Copenhagen, the capital, is situated, and where it is 852.3 to the sq. mi. It is least in Jutland, where it is 61.8. Since 1800 the population has increased four and a half times. In 1801, 11 per cent of the population lived in the capital, 10 per cent in the other towns, and 79 per cent in the rural areas. Since then there has been a pronounced migration to the towns. Today, no fewer than 26.6 per cent live in Copenhagen, 38.5 per cent in provincial towns and urban areas, and only 34.9 in purely rural areas. The population in 1945 was made up of 2 002 159 men and 2 043 073 women. More male than female children are born, but mortality is greater among the males. In the age groups up to and including 19 years males are in a majority. In all the older groups, and particularly in the very oldest women are in a majority.

Of the total population 45.0 per cent are married persons, and 47.7 per cent

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unmarried. The remainder are either widows and widowers or separated. In the years 1941-45 there was an average of 36 016 marriages a year, of which number about 24 000 were church marriages. In the same period about 20 800 marriages were dissolved, 16 000 by death and the rest by divorce. The average age at which men entered their first marriage was 27, and women 24. The birth rate has been falling since 1900; it began to rise again in 1942 but fell again after 1946. At present it is 23.4 per thousand. That the population has risen so much during the past few generations is primarily due to the decline in mortality, especially infant mortality.

Of the total population, 43 per cent are family supporters—namely, 68 per cent of the men and 18 per cent of the women. Partly supported persons represent 25 per cent, the bulk of them being housewives, while 32 per cent are wholly supported—children and old persons.

The present Danish population is directly descended from the aboriginal population. Although alien tribes have settled in Danish territory from time to time, they have quickly been assimilated. Through the ages there have been some immigrant German and Dutch settlers, especially in the towns. There are also a number of old Jewish families, particularly in Copenhagen. At the end of the nineteenth century there was some immigration from the southern provinces of Sweden, especially to Sjælland. But the great bulk of the foreign immigrants are Danish-speaking. The average Dane is rather tall, dark-blond, and powerfully built, and has blue or grey eyes.

After a disastrous war in 1864 Denmark was forced to cede Slesvig to the German Powers. The population in the northern part was predominantly Danish and it maintained its Danish nationalism with great loyalty. The southern part, also Danish originally, was slowly Germanized. Under the Treaty of Versailles, a plebiscite was held in the northern part on February 10, 1920, and 75 per cent of

the population voted for a return to Denmark. North Slesvig was then incorporated into Denmark. The reunion brought a small German minority under Danish rule, and comprehensive legislation was passed which gave the pro-German citizens extensive cultural liberty. In South Slesvig there was a Danish minority under German rule. During the Nazi regime this minority suffered much persecution but withstood all its trials. After the German capitulation the Danish minority in South Slesvig has obtained more freedom. A strong popular movement has arisen in South Slesvig which turns to Denmark for support, and Denmark has devoted considerable means towards building up Danish cultural institutions there.

Occupations

The principal Danish occupations are agriculture and fishing, industry and crafts, and trade and commerce. Up to the middle of the nineteenth century Denmark was predominantly agricultural, and the principal export commodities were agricultural products. Since 1870, Denmark has developed a considerable manufacturing industry, which not only supplies the domestic market but also produces for export. The crafts are well developed, but produce mainly for the home market. Foreign trade has flourished, and alongside it there is extensive shipping, including international routes.

Agriculture

Denmark has been an agricultural country from ancient times. The soil is easy to till, and the climate is favorable. Up to 1880 Denmark was mainly a grain-producing country. After the great fall in world grain prices production was reorganized, and modern Danish agriculture produces refined agricultural goods, such as butter, bacon, eggs, cheese, and meat. Substantial quantities of grain and fodder are im-



The Royal Danish Family: King Frederik IX, Queen Ingrid, and the Princesses Margrethe, Benedikte, and Anne-Marie. Photo taken at Amalienborg Palace in Copenhagen.

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ported and help to support a large live-stock production.

The dairy cow is the center of Danish farming. Great work has been done in improving cattle breeds, and emphasis is placed on breeding cows with a large and rich milk production. The farmer receives the skim milk back from the dairy and it forms, with purchased grain, a principal constituent of pig food. Much has been done to perfect the feeding of pigs for a high-quality product (especially bacon). Domestic fowl breeds have also been greatly improved, as well as egg production. Agricultural production is under constant scientific control in order to ensure a uniform commodity throughout the year and a quality that is always quoted highest on the world market. Grain and root crops are also produced. The chief cereals are rye and wheat, sown in the autumn, and barley and oats, which are spring-sown. Considerable areas are used for the growing of sugar beets and fodder beets, and there are also large areas in flax.

A factor in the high quality of Danish agricultural produce is the processing. Up to 1880 all butter was home-churned. Since then many dairies have been erected; milk is collected over a wide area and processed according to latest methods. Similarly, there are large bacon packing plants and egg-packing stations. These undertakings are mostly co-operative. The farmers own them, and there is close collaboration between the different enterprises.

Before the outbreak of war in 1939 agriculture accounted for three-fourths of all Danish exports. The bulk went to Britain, which took considerable quantities of butter, eggs, and bacon. When Denmark was occupied by Germany in 1940 exports had to be directed there. Owing to the inability to obtain the required raw materials agricultural production declined and the livestock herd had to be reduced. The stock has been increasing again since 1945, and agricultural production is approaching its old level. Britain

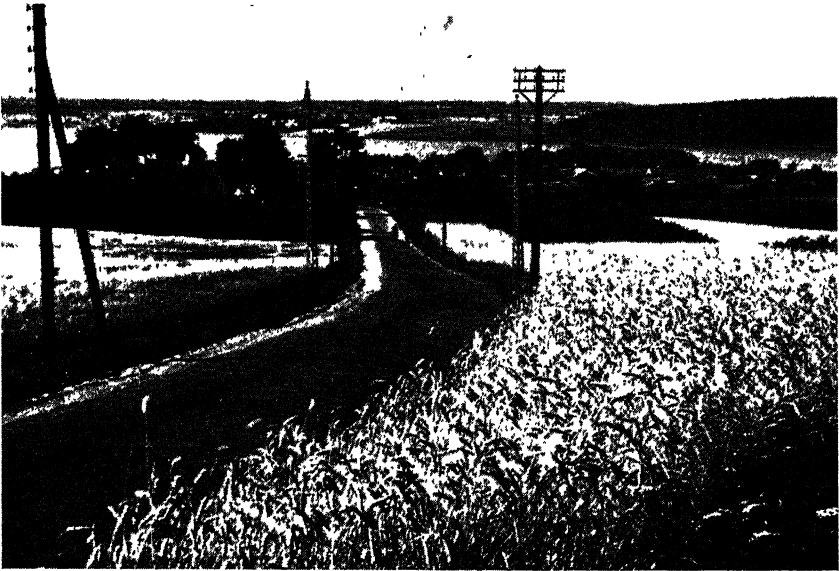
is again the principal market, but some quantities of butter are sold to secondary markets like France, Germany, and Russia. Sugar crops are more than enough to cover domestic consumption, and there are large exports of sugar, especially to the other Northern Countries.

There are about 205 000 agricultural holdings in Denmark. About 2 000 are estates which require many farm workers. The nucleus of Danish agriculture is the privately owned farm, of which there are about 90 000. The farmer shares in the daily work of the farm, usually assisted by one or more workers. There are also some 110 000 small holdings worked by the owner and his wife. Often they are too small to maintain a family and the owner works on larger farms. Since 1899, legislation has been in effect to redistribute agricultural lands in order to establish independent small holdings.

The majority of Danish farms are owned by the proprietor. Tenant farming is an exception. The rather widespread division of inheritances in modern times has, however, led to heavy farm debts. The need for agricultural capital has been met by special credit and mortgage societies for which the borrowers are jointly responsible.

The Danish agricultural industry is well organized. Each group has its own special institutions which look after that group's economic interests. There are also milk-recording societies and experimental stations engaged in increasing productive efficiency. The individual farmer is keenly interested in this work and follows it closely. As a rule, he has had excellent practical and technical training at an agricultural school or on a farm.

The total agricultural area in 1948 was 5 189 000 acres. Of this 2 075 000 acres were in grain, 973 000 acres were root crops, and 2 075 000 acres were used for grazing and hay. In the same year 3 800 000 tons of grain were harvested, 23 100 000 tons of root crops and 787 000 tons of hay. Also produced were 4 000 000 tons of milk, 116 000 tons of beef and



Typical scenery from North Zealand. Farming is the most important occupation in Denmark, and farms cover 74.4 per cent of the total area of 17 000 square miles.

mutton, 178 000 tons of pork and bacon, 87 000 tons of eggs, 120 000 tons of butter, and 56 000 tons of cheese. The figures for 1949 are 20-40 per cent higher, thanks to an increased import of grain and fodder under Marshall aid. The livestock herd in 1948 comprised 2 800 000 head of cattle, 1 400 000 pigs, 364 000 horses, and 22 800 000 poultry. With the exception of horses all are increasing rapidly, and the figures for coming years will no doubt show a considerable rise.

Danish agriculture survived the war and the occupation. Production fell sharply owing to the lack of imported fodder, but the breeding stock was preserved intact and provided the basis for renewed progress. Buildings and equipment, however, need renewal. Con-

siderable mechanization is currently in progress. Danish agriculture has had a number of good years since the war, but future development will depend greatly on the international economic situation.

Fisheries

Denmark has a combined coastline of about 4 350 miles, and fishing is of considerable importance. There is fishing off the entire Danish coast, but more deep-sea fishing. In recent years Denmark has obtained a sea-going fishing fleet which operates in the North Sea, the Kattegat, and the Baltic. The principal fishing ports are Esbjerg, Skagen, Frederikshavn, Hirtshals, and Hundested. The combined fishing fleet in 1947 comprised 16 000 vessels, the great majority of which were

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of less than 15 gross tons. The principal fish caught are flat-fish, cod, herring, and mackerel. In inner waters a quantity of eel is also fished. The value of the catch in 1947 was 162 000 000 kroner. Some of this was sold in foreign markets, especially Great Britain and Central Europe. Fish are exported either alive or frozen.

Forestry and Horticulture

Only a little over 8.2 per cent of the total area of Denmark is forest. Deciduous forest predominates in the islands, and spruce and fir in Jutland. Denmark is self-sufficient in the products of deciduous trees, whereas the coniferous forests cover only one-fourth of consumption. There is, therefore, considerable import of softwoods from the other Northern Countries. One-fourth of the forest area is government-owned; the remainder is in private ownership and belongs mainly to the large estates. There is some shooting of deer, foxes, hares, and birds in the forests.

Horticulture covers rather more than 2 per cent of the area, principally for fruit and vegetables for internal consumption.

Industries and Crafts

In 1940, about 31 per cent of the people were engaged in urban industries and crafts, and industrial exports represented some 25 per cent of the total. Industrial development began in earnest about 1870. Denmark lacks certain essentials for industrial growth. There is no coal and no water-power of importance nor any metals. As raw materials for industrial use there are agricultural products, which are widely processed industrially, and important deposits of chalk and clay which form a natural basis for industry. Besides these, Denmark possesses a skilled working class and technically excellent engineers. These have made it possible to build up a not unimportant industry. Danish factories cater mainly to the

home market, but certain specialized products have gained world renown.

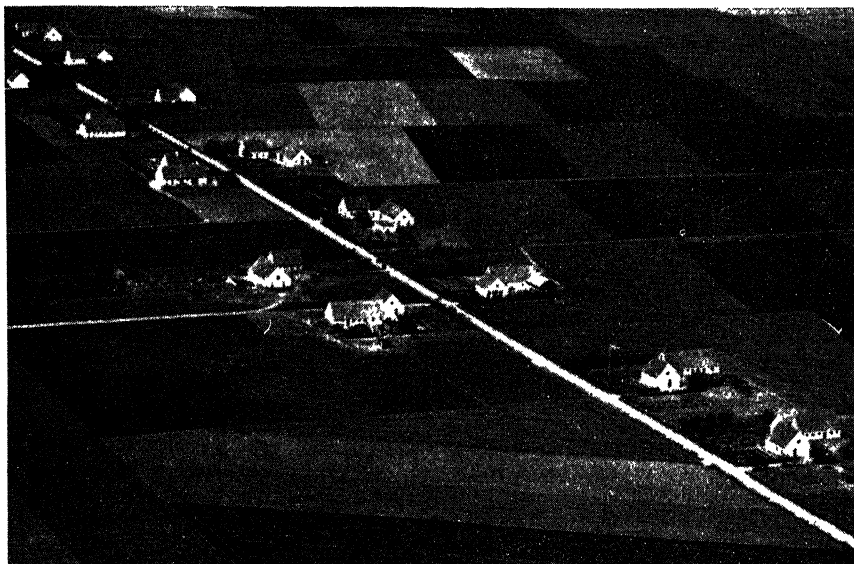
Exports of foods and drinks include beer, fruit wines, and chocolate in addition to butter, bacon, cheese, and canned goods. There is also an important engineering industry which manufactures specialized goods like cement, machinery, refrigerators, diesel engines, etc. Mention should be made of silver, glass, and, most recently, furniture. However, the manufacturing industries are of greatest importance in the domestic market, which they supply with all the goods required in a modern household. The breaking off of connections with the outside world in 1940 created formidable difficulties for industrial manufactures and cut off the supply of essential foreign fuels and metals. Reconstruction has been in progress since the war.

The crafts, which are deeply rooted in Danish history, serve the home market almost exclusively. Characteristic of them are the many small independent businesses in which the artisan-owner works alone or assisted by just a few workmen. Another characteristic feature is the practical training which an apprentice receives under a master craftsman. By taking part in the daily work for three or four years an apprentice acquires all the skill he will need in the trade. Practical training is supplemented by theoretical training at technical schools.

The total number of Danish productive enterprises in 1948 was 109 288. Only 20 per cent of these employed more than five persons, and there were only 685 businesses employing more than 100 workers. The total number of employees in industry and crafts in 1948 was 641 000.

Trade and Shipping

Denmark has always had a large volume of trade. In earlier times domestic trade was comparatively unimportant. Up to the middle of the nineteenth century the bulk of the population lived in the country and the individual household was ac-



More than 50 per cent of the Danish farms are small holdings. Above are small holdings set up by loan from the government towards the purchase of the land and erection of buildings. These farms must have sufficient land to enable the farm to support a family.

customed to produce all its own necessities. Although farm households still produce some goods for home use, they purchase most of them. Moreover, the shift of population from the country to the town has increased the amount of domestic trade, since the urban population has to cover virtually all its requirements by purchases.

Domestic trade is divided up among a large number of enterprises. The trade census of June 1, 1948, showed 14 350 wholesale and 73 817 retail businesses, employing 83 602 and 188 192 persons respectively. In earlier times the mixed business was the most usual type. In modern times a large number of specialized businesses has arisen, especially in groceries and provisions, drygoods and hardware. There are also many confectionery,

fruit, and tobacco businesses. In Copenhagen there are a few department stores and mail-order firms. In the retail field there are co-operative societies (in all 2 000 local societies). The retail co-operative societies, which belong to the Co-operative Wholesale Society (*Fællesforeningen for Danmarks Brugsforeninger*), are chiefly located in the rural areas. In 1935, they were responsible for some 10 per cent of the retail trade.

Denmark has a large foreign trade in proportion to its size. Though its population is only 0.15 per cent of the world total, its foreign trade is 1.5 per cent of total world trade. Imports are much greater than exports; the deficit is covered by freights on international shipping routes and by payments for services such as the construction of engineering pro-

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jects in all parts of the world. In 1948, goods to the value of 3 423 mill. kr. were imported; exports the same year were 2 730 mill. kr. The imports consisted, first and foremost, of capital goods such as machinery, raw materials, and fuel to the value of 3 179 mill. kr., while 245 mill. kr. was spent on consumer goods such as tobacco and coffee. Exports, on the other hand, consisted chiefly of consumer goods, particularly food valued at 1 800 mill. kr.; exports of capital goods, including machinery, etc., totalled 930 mill. kr.

Before the war Denmark's principal trade partners were Great Britain and Germany. These two countries were the chief markets for Danish goods, and they supplied the bulk of Danish requirements. They were followed by the other Northern Countries and, well down the scale, the United States. The British market was lost when Denmark was occupied by the Germans in 1940. Trade with the Northern countries increased in importance, but Germany advanced to first place as a customer for Danish agricultural products and became the only supplier of industrial materials and fuels. During the last years of the war imports from Germany shrank to a minimum; at the end of it Denmark was left with substantial credits in Germany deriving partly from goods delivered and partly from the costs of maintaining the German troops in occupation for five years. Great Britain has again become Denmark's chief customer for food. Imports from Britain have risen enormously, with the result that Denmark has a considerable sterling debt. In 1949, the German market was once more assuming importance for Denmark; trade with Germany is increasing rapidly in both directions and will unquestionably continue to gain. Imports from the United States have been substantial but are rendered difficult by a shortage of dollars. Without Marshall aid Denmark would have been in a very difficult position. Great efforts are being exerted to increase exports to

the dollar area. There are hopes of selling more quality goods such as cheese and butter and certain industrial art goods such as silverware, porcelain, and furniture.

Denmark has had an important shipping trade since early times. Proximity to the sea led to efficient seamanship, and farsighted shipowners have built up an important merchant fleet. The large foreign trade contributed to the development of the merchant fleet. At the outbreak of war in 1939 it was estimated at about a million gr. reg. tons. Some 1 400 seamen lost their lives as a result of the war, and the tonnage declined to 412 000 gr. reg. tons. After the war, the fleet has been reconstructed at a rapid rate, and the losses in ships and tonnage have been made good. The Danish merchant fleet includes a large number of up-to-date motor vessels. Since 1911, Denmark has been a pioneer in the application of the diesel motor to ships. In that year the first motor ship, the "Selandia," was launched by Burmeister & Wain, Copenhagen, and diesel ships are now built all over the world under this firm's license. About 70 per cent of freight income is earned by purely foreign trade. A number of Danish owners have specialized ships for the transport of oil and fruit.

Government and Parliament

Denmark has been a monarchy since ancient times. Up to 1848 the power of the king was absolute, but the Constitution of June 5, 1849, introduced a constitutional monarchy. There is male hereditary succession. The present king, Frederik IX, ascended the throne in 1947. There are three daughters in his marriage to the Swedish Princess Ingrid, and the question of a female succession has been raised.

Under the existing Constitution of June 5, 1915, with amendments of September 10, 1920, the king holds the executive power and shares the legislative power with Parliament (*Rigsdag*). The king chooses his ministers, but cannot perform



The Danish training ship "Danmark" coming through Øresund (the Sound) between Denmark and Sweden. In the background the old castle of Kronborg, Denmark, where William Shakespeare laid the scene of "Hamlet." Kronborg was erected in 1577-85 by Frederik II.

any act of government, nor appoint ministers, without the countersignature of a minister. The king can "do no wrong," but the ministers can be held responsible for their actions. Since 1901, it has been constitutional practice for the Government to have the confidence and support of the lower house (*Folketing*). With the king and the heir to the throne the ministers form the Council of State (*Statsråd*). In the council, laws are laid before the king for signature, and it may discuss important matters of state. When the ministers meet without the king it is a cabinet meeting (*Ministtermøde*), and the prime minister (*Statsminister*) presides. The number of ministers is not laid down in law. As a rule, each minister is responsible for one department. This may be extended or limited according to need. The Government may also include mini-

sters without portfolio. The lower house may impeach a minister, who must then appear before a court (*Rigsret*) composed of members of the Supreme Court (*Højesteret*) and a like number of members of the upper house (*Landsting*).

Legislative powers are exercised by the king and parliament in association. Parliament consists of two chambers, the lower (*Folketing*) and upper house (*Landsting*). Members of the lower house are elected for four-year terms by universal suffrage. All men and women of 25 years of age are entitled to vote provided they have not received unrepaid poor relief and possess full civic rights. The same persons are eligible for election. With the support of the Government the king can dissolve parliament at any time and issue writs for a new election. The election is conducted in one day and

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is by secret ballot. The country is divided into constituencies, which in turn are organized in electoral districts. The lower house has 151 members, two of whom are elected by the Faroe Islands. Of the remaining 149 members, 105 are directly elected in the constituencies and the remainder are supplementary seats divided among the parties according to their popular voting strength. The upper house consists of 76 members, one of whom represents the Faroes. The remainder are elected by all persons aged 35 or more who are entitled to vote in the lower house elections. These elections are indirect. The voters ballot for electors, who in turn elect the actual members. The country is divided into six electoral districts and an election is held in three of the districts every four years. The chamber itself nominates 19 of the members. The term of office is thus eight years. Members of parliament are immune to arrest or indictment without the chamber's consent. They receive a salary and may become eligible for a pension after a certain number of years.

Parliament normally assembles on the first Tuesday in October and sits until the following April or May. It may be summoned to a special session if required. Sessions are open to the public. They may be held behind closed doors, but this is very rare. The chambers elect their own chairmen and vice-chairmen; together they constitute the Parliament Presidium. The two chambers are formally equal, but the lower house has won for itself a certain precedence. The majority in the lower house determines the composition of the Government, and the chamber can claim the right to have the Government's budget submitted to it first. When passed by the lower house, the budget goes on to the upper house, but this chamber can only discuss it formally. The budget must be passed by March 31. Failing this, a temporary budget must be passed to enable the administration of government to proceed. Other bills may be introduced first in

either house at the will of the minister concerned. Members of parliament may also introduce bills.

Each bill is given three readings in each chamber. Between the first and the second reading it usually goes into committee. The committee examines the bill in detail and makes its recommendations, whereupon it has its second and third readings. After adoption it is sent to the other chamber, where it goes through the same process. If there is disagreement, it is returned to the first chamber for renewed discussion. If necessary, a joint committee of the two chambers can be set up. Each chamber has a permanent committee to which all money bills must be submitted for approval before the expenditure is made. The public accounts are examined by government auditors, appointed by parliament and who report back to parliament. Parliament exercises control of ministerial administration, and members may question ministers. There is a special committee on Foreign Affairs. All business transacted in the committees is confidential.

Elections to the lower house were held on Sept. 5, 1950, with the following results:

	Votes	Seats
Social-Democrats	813 224	59
Liberal Left Party	438 188	32
Conservative People's Party	365 236	27
Radical Left	167 969	12
Single-Tax (Georgeist) Party	168 784	12
Communists	94 523	7

In the Faroe Islands, one Social-Democrat and one member of the *Sambands-parti*, both favoring continued association with Denmark, were elected.

Following the election, the Social-Democratic minority government led by Mr. Hans Hedtoft as prime minister again came into power, with some changes in composition. In October, however, it was replaced by a Liberal Left-Conservative coalition government with Mr. Erik Eriksen as prime minister, and with the following cabinet: Ole Björn Kraft, minister of foreign affairs; Thorkil Kristensen,

finance; Harald Petersen, defense; Jens Sønderup, ecclesiastical affairs; Victor Larsen, communications; Henrik Andreas Rosenauer Hauch, agriculture; Aksel Möller, interior and housing; Flemming Friis Hvidberg, education; Poul Sørensen, social security; Ove Wilhelm Weikop, commerce, industry, and shipping; Miss Inger Helga Pedersen, justice; and Knud Rée, fishing.

In the upper house the present distribution of strength is as follows:

Social-Democrats	33
Liberal Left Party	21
Conservative People's Party	13
Radical Left	7
Communist	1
Faroe Islands	1
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The constitution embodies certain clauses on human rights. It guarantees freedom of religion, assembly, association, and the press. The home is inviolate and a warrant is required before a search may take place. An arrested person must be charged within 24 hours. These rules have applied since 1849. They were set aside in various ways during the German occupation in 1940–45, but reinstated without modification after the liberation.

Amendments to the constitution have been actively discussed in recent years and plans have been presented for changes which would lower the voting age and abolish the upper house (*Landsting*).

Public Finance. Taxation

Public finance in the last generation has been characterized by a rapid increase in expenditures. The causes are the assumption of many more duties by the public administration and the costs of economic crises, war, and enemy occupation. In the fiscal year 1949–50, national government revenues totalled 2 188 800 000 kroner and expenditures 2 171 400 000 kroner. The combined revenues and expenditures of the local governments in the year 1948–9 were



The coasts of Denmark offer ample opportunities for fishing. The saltwater catch consists mostly of flat-fish, cod, herring, mackerel, a little eel. This is Hustedet, North Zealand, showing small Kattegat vessels.

1 415 000 000 kr. and 1 317 000 000 kr. respectively. The national government obtains its revenues principally from income and capital taxes and indirect taxes on spirits, tobacco, etc. Motor-car taxes (fuel and licenses) are also important, and property taxes are of less significance. Local government taxes consist chiefly of income and property taxes, in order of importance. The local governments collect both local and national taxes. In January, each taxpayer receives a form on which he must declare his income for the preceding calendar year. The declarations are then examined by the assessment authorities, who calculate the

amount of tax due. Fixed sums are deducted as allowances for children under 16. The taxpayer may also deduct the amount of tax paid during the preceding year. Both income and capital taxes are steeply graduated. Indirect taxes are collected from the producer or dealer, who affixes a revenue stamp to the article. The following are the main items of public expenditure (in kroner):

Fiscal Year 1948-9

	Combined Local Governments	National Government
Administration	87 000 000	108 000 000
Social security and welfare	358 000 000	511 000 000
Education	177 000 000	169 000 000
Medical services	181 000 000	62 000 000
Judicial and police system	82 000 000	94 000 000
Roads and sewage	174 000 000	— 39 000 000
Defense	300 000	299 000 000
Price subsidies and rebates	—	228 000 000
Miscellaneous	153 000 000	593 000 000
Purchases from current account	15 000 000	—
Reserves, etc., excluding depreciation	89 000 000	397 000 000
	<hr/> 1 317 000 000	<hr/> 2 425 000 000

Government Administration

The ministries are the top agencies of government administration, each directed by a minister. The ministries in turn are divided up into departments and offices. Some central offices are under the authority of directorates. The number of ministries varies. All the ministries and the more important offices are at Slots-*holmen*, Copenhagen, in a number of old buildings close to Christiansborg Palace, seat of Parliament and the Ministry for Foreign Affairs. The central administration is represented in each county (*amt*) by a chief administrative officer (*amtmand*). There are 22 counties. In cities where there is a bishop the *Amtmand* is called a *stiftamtmand* (diocesan pre-

fect). He has a number of special diocesan duties which he carries out jointly with the bishop.

Local Government Administration

Since the middle of the nineteenth century the Danish provinces have possessed a wide measure of local self-government. In recent times, however, it has been somewhat restricted by obligations imposed by the national government, which keeps a close check on their administration. Men and women aged 23 or more residing in the district and whose taxes are paid are eligible to vote for members of the local town council, which in Copenhagen consists of 55 members. In Copenhagen the Social-Democrats have had an absolute majority for a number of years. The City Council (*Borgerrepræsentation*) of Copenhagen is the legislative and taxing authority. The executive power lies with the Magistrat, which consists of a chief burgomaster, five burgomasters, and five assistant burgomasters or aldermen. They have a large staff of assistants. The Magistrat is elected by the Council. The provincial towns elect town councils of 7-25 members. The figure is fixed by the minister for internal affairs and must always be an uneven number. The provincial town council has the same functions as the city council in Copenhagen; it elects a burgomaster, who wields the executive power. In the larger towns the Social Democrats have a majority; in a number of smaller towns the Liberal and Conservative parties combined have a majority.

The rural districts are divided into parishes (*sogne*) each of which elects a parish council (*sogneråd*). The qualifications for voting are the same as in the towns. The parish councils also consist of an uneven number of members and they elect a parish council chairman. The chairman has various assistants and an office varying in size according to the

area covered. Besides the parish councils there are county councils (*amtsråd*), which supervise the administration of the parish councils and administer hospitals and roads common to more than one parish. The county prefect is a member of the county council *ex officio*. It has 9-15 other members elected according to the same rules as apply to other local government bodies. All local government elections are for four-year terms and are held in March.

The Courts

Judicial power in Denmark resides in independent courts of law. To protect the independence of the judges the constitution declares that they must be guided solely by the law and that they cannot be dismissed except by legal proceedings for removal. Since 1919, the courts have had no share in the executive power. The investigation of crime is carried out by the chief of police. Denmark is divided into 71 police districts, each headed by a chief of police except Copenhagen, which has a director of police. The police force has been unified under a national chief of police (*rigspolitichef*) and there are no local police. In the lower courts the chief of police is the prosecutor, in the high courts (*landsretter*) the public prosecutors (*statsadvokater*), and in the Supreme Court the Director of Public Prosecution (*rigsadvokat*). The lowest courts are the police courts (*underretter*). Denmark is divided into 97 judicial districts. In the smallest there is only one judge. In larger districts there are criminal and civil judges. A police-court sentence may be appealed in a high court, of which there are two, one in Copenhagen for the judicial districts east of the Little Belt, and one at Viborg, Jutland, for the rest of the country. Three judges sit in cases tried by the high courts. An appeal may be made from the high courts to the Supreme Court (*Højesteret*) in Copenhagen. The supreme court has nine judges. Proceed-



The oldest town in Denmark and probably in all Scandinavia is Ribe in southwest Jutland. It is mentioned as early as 860 A.D. The famous Cathedral of Ribe, of which the tower is seen here, was built in the beginning of the 12th century. Ribe is called "The Town of the Storks," as these beautiful birds are specially fond of building their nests on its roofs.

ings are normally open to the public, though the doors may be closed by order of the bench. The proceedings, in most cases, are oral. Cases of serious crime are tried by jury. Trials by jury are confined to the high courts. Twelve jurors are appointed, and choose their own foreman. Voting by the jury is secret. Jury members are appointed from the parliamentary rolls for the lower house. In all penal cases there are also lay assessors (*domsmænd*), who are on equal footing with the judges. In the police court, two civil assessors sit alongside the judge, in the high courts three. In penal cases the ultimate verdict rests with the high courts. If it is ap-

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pealed to the Supreme Court, only the degree of punishment can be altered.

Punishment takes the form of fines, simple imprisonment (*hæfte*), and penal servitude (*fængsel*). Simple imprisonment consists merely of detention. In penal servitude the prisoner is compelled to perform a certain amount of work and is placed on a prison diet. The death penalty was abolished in 1930 after a period of several years during which it had not been used. After the liberation in May, 1945, it was reintroduced by special law for certain crimes of violence committed during the occupation. Terms of imprisonment are served in government prisons. Recently, special juvenile prisons and psychopathic institutions have been established.

Defense

On August 29, 1943, the German occupants attacked Danish military establishments and the military detachments were dissolved by force. The Germans confiscated all military materiel. The navy scuttled its ships.

Since the Liberation in May, 1945, Denmark has been building up a new army, navy, and air-force. Since Denmark has joined the North Atlantic Treaty, the reorganization will be adapted to its requirements. A Defense Commission prepared the plan which resulted in the Defense Act of May 27, 1950. The reorganization calls for a unified command on the modern pattern. A voluntary home guard was established in 1948. Since 1947 Denmark has shared, with a small force, in the occupation of Germany. The Danish detachments were originally stationed in the Oldenburg district, but were transferred to Holstein at the beginning of 1950.

Social Conditions

Social contrasts are relatively small in Denmark. There are, of course, rich and poor, but the difference between large and

small incomes has been levelled out. A progressive income tax has limited the chances of amassing large fortunes and comprehensive land legislation has prevented the growth of large estates and helped to reduce formerly large holdings. By a law of 1919, the large estates were compelled to give up a considerable proportion of their land for partitioning, against compensation, and they no longer pass to individual heirs undivided. At the same time, social legislation has helped to raise the economic status of the lower classes.

According to the income-tax returns, in the fiscal year 1947-48, 7.9 per cent of the tax payers had an annual income of less than 1 000 kr., 17.2 per cent had between 1 000 and 2 000 kr., 44.4 per cent between 2 000 and 5 000 kr., 25.5 per cent between 5 000 and 10 000 kr., and 5 per cent over 10 000 kr. In considering these figures it should, however, be borne in mind that inequality of income does not necessarily reflect the same inequality in social status. Many other factors play a part, such as age, number of dependants, and costs of education. Furthermore, it is obvious that a small income in the city cannot be directly compared with the same income in the country. The rural family with a small taxable income often lives a good deal better and with greater security than a family in a city which, according to the statistics, has a larger income.

There is no question, however, that the ordinary Danish people have a standard of living a good deal higher than the people of most other countries. Food is plentiful and well varied. It is possible to spend large sums on cultural activities. Housing conditions are generally good and healthy. In the country, however, there are houses which need modernizing and better water services. In the cities there is a perceptible post-war housing shortage, due to the suspension of building owing to lack of materials, to the migration to the cities, and to a big increase in the population.



The Danish scientist Hans Christian Ørsted discovered electro-magnetism in 1820. His statue stands in the small provincial town of Rudkøbing on the island of Langeland, where he was born in 1777.

A few districts in Copenhagen and the larger provincial towns badly need clearing, and comprehensive plans are ready. A difficult problem is presented by the greatly increased costs of building. Housing erected since the war is often so costly that young couples have difficulty in paying the rents. The housing problems of young people are generally difficult. The majority of the flats built in the 1930's are too small for families with two or more children, and they are unsatisfactory when the children grow up.

Up to the middle of the 1930's Denmark was the leading country in the North in social legislation. Since then Sweden has taken the lead, and the war and the occupation have so far prevented Denmark from catching up. Extensive social legis-

lation has had the greatest importance in raising the standard of living of the mass of the people. The basis of modern Danish social legislation is a group of laws passed in 1933 and usually referred to as the Social Reform. Every Dane must belong to a health insurance group, and the members obtain free medical attention, often free hospital service, and medicines at greatly reduced prices. They are also entitled to a disability pension and to an old-age pension on reaching the age of 60, provided certain economic obligations are fulfilled. Further, there is extensive accident and unemployment insurance, based partly on contributions and partly on public grants. In case of need owing to unemployment, sickness, etc., public assistance may be ob-

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tained without the loss of civic rights. Only in the case of chronic drunkards, unemployables, and vagrants without means of subsistence does poor relief involve the loss of voting rights. There is also extensive aid for dependent children. Blind, deaf, insane, and chronically sick persons are supported from public funds and cared for at special institutions. Expectant mothers and babies receive free medical aid and attention. This many-sided social legislation is financed in part by membership contributions and in part by employers' contributions and national and local government grants. In the fiscal year 1947-48 the local governments granted about 300 million kroner for these purposes, and the national government 433 mill. kr. Insured persons contributed 198 mill. kr. and employers 29 mill. kr. Expenditures for social services comprise the biggest single item in the government's budget.

Education

There is compulsory education between the ages of seven and fourteen and every Danish citizen can read and write. The schools are public and free, and school materials are furnished without cost. In many schools there are school meals. The children are medically examined regularly, and in many places there is free school dental service. Persons who do not wish to send their children to the common schools are at liberty to make their own arrangements, subject to inspection. There are private schools which receive public grants and which charge fees. The publicly maintained school is divided into a primary and an intermediate (*mellem*) school. Education is normally for seven years, but the basis for an eighth year has been established. Intermediate education is divided into two branches: one which ends with an examination, and the so-called "non-examination" secondary school which gives instruction in more practical subjects. From the exami-

nation school the pupil may proceed to higher institutions.

Subjects taught in primary school are oral and written Danish, writing, arithmetic, scripture (voluntary), history, geography, natural history, gymnastics and games, drawing, and, for girls, needlework. School gardens and woodworking courses may also be organized. In the intermediate schools instruction is also given in languages (English and German) and mathematics. The teachers at primary schools are all certified teachers trained at teachers' training colleges. The schools are inspected by specially appointed municipal education committees, on which the parents are represented, and there is also an expert inspection. Finances are administered by the local government councils.

For children wishing to continue their education there are so-called *Real* or practical schools, which conclude with an examination at the age 15-16, and the *Gymnasia* (secondary schools), which lead after three years to the university entrance examination. Well-to-do parents pay fees based on their income. The *gymnasia* are divided into three branches: mathematics and science, modern languages, and classical languages. All the teachers at these schools are university-trained. The *gymnasia* and *real* schools are run by the national or local governments, or privately. Privately run schools receive public grants.

Alongside these schools are educational institutions which provide advanced practical training. There are numerous commercial and technical schools in the provincial towns attended by pupils who want to obtain clerical posts or work as skilled craftsmen and technicians. Special agricultural schools offer practical agricultural training. The majority of these institutions have been established privately, but they may receive public grants. A special Danish form of education is the people's college, which has asserted itself chiefly in the country. It is based on the ideas of N.F. S. Grundtvig



One of the old canals in the heart of Copenhagen, the Danish capital, which has a little more than 1 million inhabitants. To the right the Thorvaldsen Museum. Bertel Thorvaldsen (1768–1844) is Denmark's most famous sculptor.

and is a youth school which aims, by means of lectures, at developing in the pupils a Christian view of life and a broader humanitarian outlook. The people's colleges have had immense importance in raising the cultural and social standard of the rural people. They have burst the narrow bounds of earlier times and acquired a breadth of outlook facilitating practical progress in agriculture and contributing greatly to the growth of the co-operative movement. The peo-

ple's college has had some difficulty in taking root in the cities. There the Workers' Educational Association (*Arbejder-nes Oplysningsforbund*) has been responsible for much of the work like that done by the people's college. The study circles and lectures which it arranges have been of great importance in raising the educational standards of the workers and in creating an understanding of the importance of the working class in the modern community.

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An important servant of adult education is the public library. Every town has one or more public libraries, with reading rooms for adults and juveniles and a large collection of fiction and non-fiction available for loan. There are also collections of books in the rural districts, but the building of libraries there is in its infancy. Some isolated districts are served by travelling libraries. It is possible to requisition books from the scientific libraries through the public libraries, so it is possible to study any subject privately anywhere in the country. Alongside the public libraries and the technical schools the State Radio performs important cultural work in its lectures and other broadcasts.

Scientific education is given at universities and scientific academies. The older of Denmark's two universities is in Copenhagen. It has five colleges: theology, philosophy, mathematics and science, law and economics, and medicine. A second university was opened at Aarhus in 1930. It is not yet completed, but it will not be long before it is possible to pass an official examination there in any of the five main fields. Copenhagen is also the site of the Technical University which trains engineers, the Dental College, the Pharmaceutical College, and the Veterinary and Agricultural College. The main purpose of the universities is to train students in scientific work and supply the national and local governments with the required civil servants. The necessary scientific institutes, libraries and laboratories are attached to the universities and colleges. These institutions are all government-owned and attendance is free, except that small fees are charged for examinations and for certain courses. The majority of Danish students have to maintain themselves and furnish their own books and materials. A small number live at hostels and can obtain scholarships or low-rate loans. But higher education is a heavy burden on the parents or the student in the six or seven years he must be supported while

studying. In 1947-48, there were about 8 000 students at the two universities and 3 500 at the other colleges.

The Press

Denmark has a well-developed and independent press. Twelve daily newspapers are now published in the capital and 122 in the provinces. A characteristic feature of the Danish press is the independence of the provincial press from the Copenhagen papers. In most provincial cities there is at least one independent paper and often there are three or four, representing each of the main political parties. The oldest are the conservative papers. The next oldest are the organs of the farmers and the liberal movement; then came the Social-Democratic press and, finally, the Communist press. The Social-Democratic papers are amalgamated in a large national organization in which the trade unions play an important part. The non-Labor newspapers are owned either by individual proprietors or by small companies often solidly anchored in the local population. The great majority of Danish provincial papers began as organs of political opinion, but their news service has become increasingly important in modern times. Circulation of the largest provincial papers ranges between 50 000 and 100 000, and most of them are afternoon papers. Most provincial papers have circulations smaller than 10 000, yet are able to pay their way.

Two Copenhagen papers are well ahead of the rest in daily circulation, the conservative "Berlingske Tidende" and the radical "Politiken." Originally political organs, these two newspapers now place the main emphasis on their daily news service and have established a network of correspondents all over the world. Both are morning papers. The other principal morning papers are "Social-Demokraten," the conservative "Nationaltidende," and the commercial daily "Børsen." The most widely read evening papers are "Berling-



A typical Danish village church. The bridge leads from Zealand to the island of Møn.

ske Aftenavis" (cons.), "B.T." (cons.), "Ekstrabladet" (radical), and "Information" (politically independent). The Communist paper is "Land og Folk."

In addition to the daily press Denmark has an extensive weekly and trade press. Many associations have membership journals which deal with the organization's special interests and general cultural matters. The numerous trade papers are chiefly concerned with developments in their particular field. Some general weekly magazines have large circulations. The whole of the Danish press is well organized and maintains close association with international organizations. The semi-official Danish news agency is called Ritzau's Bureau. It was originally privately owned but has been taken over by the combined Danish press.

Communications, Post, Telegraph, and Telephone

In 1940, about 6.5 per cent of the population, i.e. 248 000 persons, were engaged in communications, as follows:

Shipping	33 963
Railways & trams	59 592
Road transport	87 202
Pilot, lighthouse & harbor services	21 684
Post, telegraph & telephone	44 254
Other transport	2 085
	<hr/>
	248 780

The geographical composition of the country, with its many islands, calls for considerable internal shipping. A number of regular internal shipping lines have been established for the transport of both passengers and goods. All the main rail-

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way lines belong to the State. The total length of track is about 3100 miles. The gauge is standard width, and the main lines are double track. The majority of the trains are steam-driven, but local Copenhagen traffic is electric, and there are fast diesel-engined trains on some of the main routes.

Denmark has a well-developed road system. Modern roads are adapted to take considerable motorcar traffic. Natural impediments to traffic are few, though winters with alternating frost and thaw may cause traffic difficulties for short periods. A large proportion of internal freight moves by truck. Air traffic is developing rapidly. Denmark has two large international airports at Kastrup, near Copenhagen, and Aalborg, in Jutland, which can accommodate the biggest modern passenger aircraft. Domestic air traffic is of minor importance owing to the short distances, but there are a few internal routes. Kastrup is in daily intercourse with every European airport, and there are regular services to the United States, South America, Africa, and the Far East. In collaboration with Norway and Sweden, Denmark has built up a strong Scandinavian Airlines System (S.A.S.). While the postal and telegraph systems are run by the government, private companies have concessions for the telephones. Broadcasting is a government concession and directed by an independent board.

Religion

The Evangelical Lutheran Church is the national church of Denmark and is supported by the government. Ninety-seven per cent of the Danish people belong to it, and the reigning king must be a member. Parliament has legislative authority over the church, and the administrative direction is in charge of a Minister for Ecclesiastical Affairs. The question of giving the national Church

its own constitution has been discussed at various times, but the proposal has never been carried out. The country is divided into nine dioceses, each of which is subdivided into a varying number of deaneries. Each deanery is made up in turn of a number of parishes, each with a church and rector. There are special legislative measures whereby the individual citizen may choose the clergyman he wishes, and he may have the services of another rector than the one who serves the parish where he happens to live. Moreover, 20 families may form an independent congregation with their own pastor, a so-called free congregation (*valgmenighed*) inside the State Church. There is, consequently, considerable personal freedom.

The congregation in general has great influence on local church administration. In each parish, citizens eligible to vote for members of the lower house of parliament elect representatives to a congregational council. The council administers local church finances and assists in levying the church tax. It can also make recommendations for the choice of rector. The congregational councils have a voice in the choosing of a bishop, when a vacancy occurs in their diocese, and if two-thirds of the votes are given to one candidate the minister is obliged to appoint him.

There are a number of other religious denominations. A distinction is made between recognized and non-recognized churches. The clergy of the first group have been authorized to perform ecclesiastical rites which have civil validity, such as baptism and marriage. This group includes the Roman Catholic Church, the Mosaic Church, the Reformed Church (there are both a German and a French Reformed Church in Copenhagen), and the Methodist Churches. The non-recognized churches, the largest of which is the Baptist, may use the chapels of the national church for funerals but their ministers cannot perform legally valid baptisms and marriages.

Science and Art

Denmark, during the past centuries, has contributed to the development of general human culture by scientific discoveries and artistic achievements. It is in the nature of things that the work done in science and art has primarily benefited Denmark, but there are several Danes who made internationally recognized contributions. Among the great names of earlier science are the celebrated astronomer Tycho Brahe (died 1601), Ole Römer (died 1710), who calculated the speed of light, and H. C. Ørsted (died 1851), discoverer of electromagnetism. The humanistic sciences produced two great philologists of the nineteenth century, Rasmus Rask (died 1832) and J. N. Madvig (died 1886). Older artists include the sculptor Bertel Thorvaldsen (died 1844), who re-created classicism, and the most famous of them all, Hans Christian Andersen (died 1875), whose fairy-tales are read the world over.

The greatest modern name in Danish science is the atomic scientist Niels Bohr, whose theoretical work established a basis for the practical application of atomic energy. His scientific institute in Copenhagen is visited by many international scientists. In the medical field, Denmark is particularly well known for two great medical institutions, the Finsen Institute and the Serum Institute. The latter provides a great many sera and vaccines for other countries. The physiologist August Krogh (died 1949) is chiefly known for his research into the blood capillaries and his improved method of producing insulin, and the physiologist Henrik Dam discovered Vitamin K. Niels Bohr, August Krogh and Henrik Dam are all Nobel Prize winners. Another scientist with an international name is the physicist Valdemar Poulsen, whose brilliant experiments led to the construction of radio-telephone apparatus. Philologists Vilhelm Thomsen, Nyrop, and Jespersen have all achieved world fame.

The majority of Danish authors are



Most famous of all Danes is Hans Christian Andersen, the great author of fairy tales. He was born at Odense on the island of Funen in 1805. The house where he lived as a child is arranged as a museum and behind it is a large memorial hall with many souvenirs of the poet. There stands this monument. The admiring crowd at its foot would have enjoyed him.

read only in Denmark and the other Scandinavian countries. Only a few have been translated into a major language. This does not mean that there is no important Danish literature. The best known names in modern Danish literature are the Nobel Prize winner Henrik Pontoppidan, Johannes V. Jensen, Martin Andersen Nexø, and of the younger generation Jacob Paludan.

In the front rank of modern Danish dramatists are Kaj Munk, who was murdered by the Germans during the occupation, Kjeld Abell, and Soya. The two first-named are well known abroad and their works have been translated into several other languages.

The great names of the nineteenth century in Danish music were J. P. E.

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Hartmann and Niels W. Gade, and of the present century, Carl Nielsen. Although their works are popular in Scandinavia and to some extent in Germany, none but Carl Nielsen attained world fame.

The Royal Theater in Copenhagen is the leading Danish theater and it embraces all three arts—drama, opera, and ballet. The theater has fine traditions in all three and continuously offers a comprehensive classical repertoire. It also presents modern Danish and foreign drama. There are also many private theaters.

In the early days of the moving picture the Dane Ole Olsen, with the Nordisk Films Kompagni, succeeded in making a number of silent films which were world successes. The firm's polar bear trade mark was seen on screens all over the world. The leading actors were Valdemar Psilander and Asta Nielsen. The golden age of the Danish film was from 1917 to 1920. After the First World War the Danish company could not meet the fierce international competition, especially from Hollywood, and with few exceptions Danish motion pictures have since catered mainly to the domestic market.

Sport

Sports occupy an ever-increasing importance in the life of the ordinary Dane and thousands of people attend the principal events. Organized soccer is highly popular, and international matches are played every year with the neighboring Scandinavian countries. These matches are great national events and there is much pool betting. Denmark reached the semi-finals in the London Summer Olympics in 1948. All branches of sport have their followings, but the best international results have been achieved in swimming. At the Olympic Games in Los Angeles, Berlin, and London Danish women swimmers established a number of Olympic records and won both gold and silver medals. Swimming is a natural

sport for Danes. Other water sports, such as sailing and rowing, are popular and have shown good competitive results. Male and female gymnastics are internationally famous and Bukh has visited nearly every part of the world with his teams.

The Faroe Islands

The small group of rocky islands called the Faroes, situated about 190 miles north of the Shetlands in the North Atlantic, belong to Denmark. The group consists of 18 small inhabited islands, of which the largest is Strómó, with an area of 144 square miles, and the smallest Koltur, one square mile. There are also a small number of islands on which only sheep can live and a larger number which are uninhabited. In many places the islands rise vertically out of the sea to a height of 2 300 feet. The sea lashes the coasts so fiercely that landing-places can be constructed only at the extremities of the fjords. The climate is humid and foggy. There is little difference between winter and summer temperature and the sea hardly ever freezes. The jagged basalt cliffs fascinate the eye, but the landscape is bare, and neither trees nor shrubs will thrive. Owing to the thousands of grazing sheep all vegetation is cropped short, the extensive pastures resembling well-kept lawns.

The inhabitants are of Scandinavian extraction and speak an old language midway between Icelandic and Norwegian. In modern times some independent literature has appeared in it. In 1945 the population was about 29 000, giving a density of 77.2 to the sq. mi. Contrary to the situation in Denmark, males are in a majority. The biggest town is Thorshavn, the capital, with 4 400 inhabitants.

The principal occupation in the Faroes is fishing, both off-shore fishing from open boats and trawling. The chief grounds are off Iceland and along the



Scene from the Faroe Islands, a Danish county, showing the small town of Kvivik. Lamb's wool is being dried in the foreground.

coast of Greenland. In earlier times the catch was dried and salted and sold in foreign markets. Now it is exported fresh on ice. After April, 1940, when the Faroes were occupied by British troops, almost the whole of the Faroese fish exports went to British ports, and the skippers earned large sums. At the same time, the Faroe community suffered heavy losses of men and material as a result of sinkings and bombing. The people of the Faroe Islands also hunt whales. Whales appear in large schools along the coast and are driven into a backwater and killed. A successful whale hunt is celebrated in grand style. The basis of Faroese agriculture is sheep-farming. The sheep flocks total about 70 000, and about 80 tons of wool is

produced annually. The growing of flax and of potatoes is also important. Vegetables can be grown, but not grain.

Since 1948, the Faroes have been self-governing in all local affairs. The Faroese Parliament is called the *Lagting* and consists of 25 members.

In elections in November of 1950, the *Folkeflokk* party, which advocates complete independence of Denmark, won eight seats, and two more were captured by a new independence party, for a total of ten in favor of separation. The other parties, all in favor of continued association with Denmark, won a total of 15 seats divided as follows: Social-Democrats, 6; *Sambandsmænd*, 7; and the Self-Government party, 2. The Faroes send two representatives to the lower

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house and one to the upper house in Copenhagen. Of the two lower house representatives from the Faroes, one belongs to the Social-Democratic party and the other to the *Sambandsmænd*.

Greenland

Greenland also belongs to Denmark. Apart from the continent of Australia, Greenland is the world's largest island. It is situated between 59° and 83° N. latitude and has an area of some 130 000 sq. miles. There are no warm ocean currents near Greenland and the climate everywhere is arctic. The entire interior is covered by a huge layer of ice which in places is 3 000 feet thick. A few summits of rocky mountains protrude from the ice. Otherwise the interior is one vast plain. Nearer the coast the ice is broken up and difficult to penetrate. At a few points the inland ice projects to the seacoast; in general, however, there is a stretch of ice-free land, narrow or deep as the case may be, between the coast and the interior. The coast itself is jagged and indented by deep fjords. The west coast is comparatively easy to navigate, but the east coast is usually ice-bound. Only near the settlements of Scoresby Sound and Anmagsalik is navigation fairly good.

The population of Greenland is of Eskimo origin and numbers about 18 000. The people are closely related to the Eskimo tribes which inhabit the northern coastal regions of Canada and Alaska. The Greenlanders are a hunting people; the seal is their chief game and it supplies them with all their needs—food, clothing, and fuel. Seal-hunting is usually carried on from kayaks. Along with seal-hunting, fishing has always been important. The Greenland waters are among the world's richest in fish, and modernization of fishing methods is one of the great problems. Only by developing fishing will it be possible to lead the Greenlanders forward to a higher standard of living and greater social security.

About 1720 a Danish missionary, Hans Egede, began work in Greenland. The native population became acquainted with Christianity and Western culture, and Denmark maintained connections with Greenland during succeeding years. Trade became a government monopoly, and the island was closed to visitors. The policy of segregation was believed necessary to protect the primitive population against the diseases of modern civilization. In the period before and after 1900 a number of scientific expeditions were made to the inland ice and to hitherto unknown regions. Greenland was properly charted, and new settlements founded. But the colony developed only slowly, and the isolation policy was maintained. The government of Greenland was in charge of a special department, known as the Greenland Board of Administration (*Grönlands Styrelse*), for which the Prime Minister was directly responsible. Local governors and sheriffs were in charge of local administration. Schools and hospitals were built, and many Greenlanders came to Denmark for advanced education before taking up posts at home. Up to 1939, segregation was complete; Greenland was a closed country. Denmark firmly asserted her sovereignty over the whole of Greenland. Success of the Danish policy depended on maintenance of regular connections. Greenland needs supplies of goods like timber, and products of the island, especially furs and cryolite, have to be disposed of in foreign markets. When Denmark was occupied in April, 1940, communications between Denmark and Greenland were broken off. The Danish Minister to Washington took steps to establish communication between Greenland and the United States so that the exchange of goods could go on uninterruptedly. The war also led to a great increase in Greenland's strategic importance. The island was regarded by the United States as an important bastion in the defense of the American continent, the shortest air route between North American bases



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Landscape from Thule, in northern Greenland—the world's largest island and a Danish colony. The Greenland woman is on her way home to her small place with her two children, the baby in an "amaut" on her back.

and Europe was across Greenland, and it was of the greatest importance to establish meteorological stations on Greenland territory. The Danish Minister to Washington therefore concluded, in 1941, a special agreement with the United States Government granting the United States the right to set up bases. This broke down the old isolation. When Denmark again became free in 1945 the policy in Greenland had to be revised. A mixed Danish-Greenland Commission has made recommendations for the required reforms. Denmark has taken over the American meteorological stations. A new era seems to have begun for the Greenland

community and it will unquestionably lead to a significant change in the people's way of life. Fishing will become their principal means of livelihood, and considerable capital will be required with which to modernize fleet and equipment. More must also be done to raise the cultural standard, and sanitary conditions are far from satisfactory. Meanwhile, a scientific investigation into the mineral wealth of Greenland has been started. Large deposits of lead have already been found on the east coast. The only problem is the one of exploiting these resources in spite of extremely difficult navigation and transport conditions.

The Country

Finland is situated in the Far North, at the limit of human habitation, between 60° and 70° N. Long. and 19° and 31.5° E. Lat. A considerable part of Finland, about one-third of her total length, lies beyond the Arctic Circle.

The coastline, disregarding indentations, totals 688 mi. in length. Of the total land frontier of 1 583 mi., 335 mi. are common to Sweden and Finland, 456 mi. run between Norway and Finland, and the longest stretch, 793 mi., is shared with the Soviet Union.

Finland's longitudinal axis is approximately north-south. The mainland, at its longest, measures 719 mi. from north to south and the maximum east-west distance is 337 mi.

The surface area of present-day Finland is 130 160 sq.mi., of which 117 453 are land and 12 138 water.

In 1940 Finland had to cede to the Soviet Union certain areas from southeast Finland (Karelia) and from North Finland (Kuusamo and Salla). Finland lost the same areas again through the Moscow Armistice in 1944, together with the Petsamo District, by which Finland was excluded from the Arctic Ocean. In 1947, in addition, Finland relinquished to the Soviet Union a small North Finland area containing the Jäniskoski Power Plant and Niskakoski Dam. The total area ceded by Finland at the conclusion of peace amounted to 17 640 sq.mi., of which 16 576 sq.mi. were land and 1 064 sq.mi. water. In addition, Finland leased to the Soviet Union in 1944, for 50 years, the Porkkala Territory—situated southwest of Helsinki, 148 sq.mi. in surface area.

Even after these territorial cessions

Finland remains one of the most extensive countries in Europe. Larger are only the Soviet Union, Germany, France Spain and Sweden.

Finland, known as "the land of a thousand lakes," is in reality a country of tens of thousands of lakes. The number of lakes in Finland, in round figures, is 60 000, excluding numerous small ponds less than 220 yds. in diameter. Lakes cover 9 per cent of Finland's total surface area. Richest in lakes is the lake district of central Finland, "Lake-Finland," where 20 to 50 per cent of the surface area of the parishes may be water.

Apart from the lakes, forests and swamps constitute a prominent feature. Seventy-one per cent of Finland's land area is covered by forests, and, including forested swamps, 33 per cent of the land area is swamp.

The temperature in Finland is considerably higher than the average for regions situated so far north. The average temperature in January is 18–20° F. higher than in the zone in general; in July, again, only 4–6° higher.

The People

At the beginning of 1950 the population of Finland was 4 007 100. The number of women was 10 per cent greater than that of men.

Finland is most thickly settled in the southwestern and southern parts, favored by nature and the history of colonization. The average density of population here exceeds 50. Elsewhere in Finland settlement is much sparser. In North and East Finland the density of population, in general, is under 5 persons per sq.mi.

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The population is divided into Finnish and Swedish-speaking; the number of people speaking other languages is very small. In the year 1940, 90 per cent of the population spoke the main language, Finnish, the Swedish-speaking population was 9.6 per cent, and the percentage of those speaking other languages was 0.4 (including 2 350 Lapps).

Although the Finnish language differs completely in its construction from the Indo-European languages, racially the people have some resemblance to the Scandinavians, and some to the Indo-European nations living on the East coast of the Baltic. The nearest relations of the Finns are the Estonians and some Finno-Ugric peoples living in European Russia, but linguistically the Hungarians also are distant relations of the Finns.

The density of population is 29.9 inhabitants per square mi. Only Norway and Iceland, among European countries, have a smaller density.

Swedish is the second official language, after Finnish. The Finnish Constitution confirms the principle that the cultural and economic requirements of the Finnish and Swedish speaking populations in Finland must be satisfied by the government on the basis of equality.

The area of this population consists of the Åland Isles and the surrounding archipelago, and of narrow coastal strips along the shores of the Gulf of Finland and the Gulf of Bothnia.

In 1880 the Swedish speaking population still represented 14.3 per cent of the total population in Finland, in 1940 no more than 9.6 per cent. This diminishing growth of the Swedish speaking population is in part due to more lively emigration, in part to the very low birth-rate of the Swedes in Finland.

The birthrate of the Åland Isles (in 1941-1945 14 per thousand) is the lowest in the entire country.

The special position of the Swedish language and culture does not derive from the Swedish-speaking element of the population alone. It has deeper roots.

Up to modern times, considerable cultural advances, Finnish in essence but Swedish as regards language, have been made in Finland, and they were in fact common to the whole nation, the Swedish-speaking as well as the Finnish-speaking elements.

The urban population has grown rapidly in recent decades, and continues to do so. In 1850 6.5 per cent of the population lived in towns, in 1900 12.5 per cent and in 1948 no less than 25 per cent.

The population of the three biggest cities, on January 1, 1950, stood at: Helsinki 370 000, Turku (Åbo) 100 000, and Tampere 100 000.

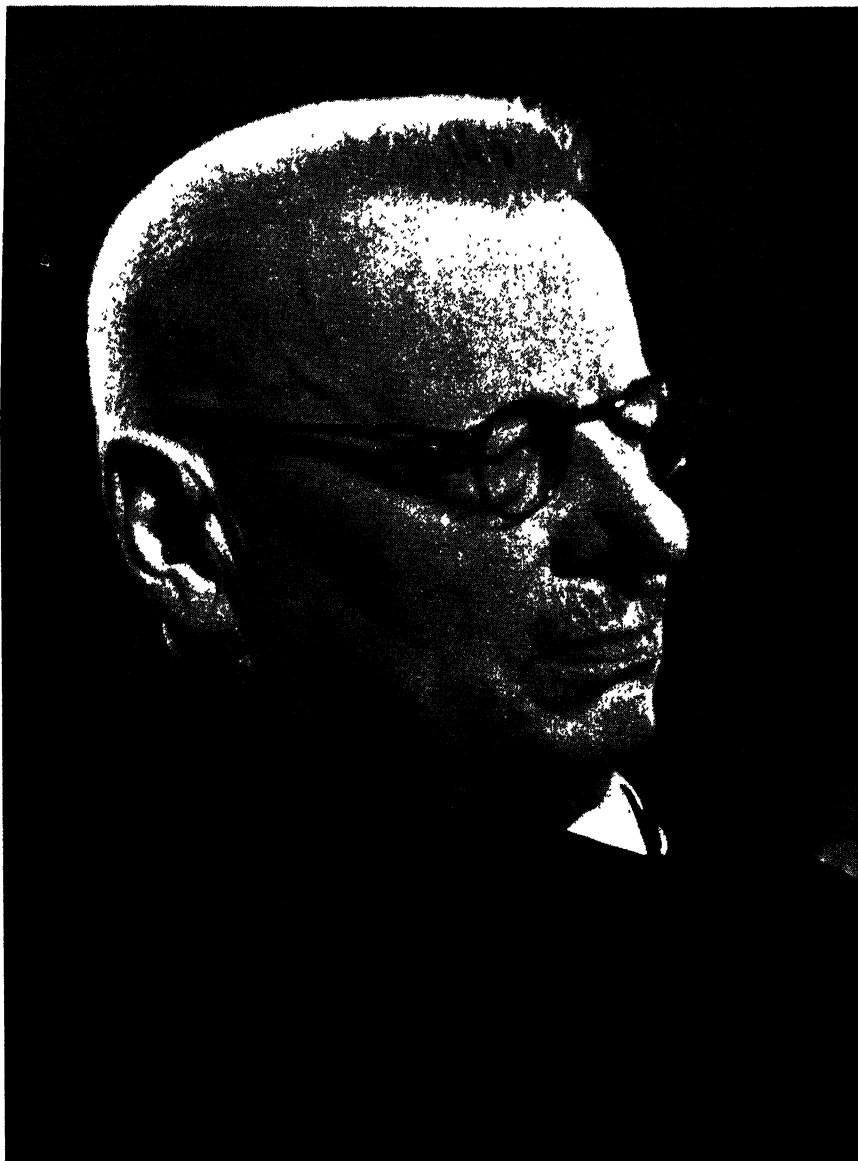
The total of births in 1945 (95 758) surpassed the record set in 1909, but by 1947 the figure of 108 168 live births was reached. The record birth rate of 1947 represented 28 per thousand; the death rate was only 12 per thousand, and the surplus of births no less than 15 per thousand. The birth rate is higher in rural districts.

The agricultural population still represents 51 per cent of the Finnish nation.

The industrial population, in the 1880's but 10 per cent of the people, now amounts to 31 per cent. Of this percentage, those employed in industry proper are 21 per cent (in the 1880's, 7 per cent), in communications 5 per cent (2 per cent) and in commerce 5 per cent (1 per cent).

Agriculture

In 1941 the farms in rural communes totalled 270 000 in number. Almost half of them, 49 per cent, comprised human dwellings with less than 12 acres of land under cultivation. Only 13 per cent of the total field area in Finland belonged to these farms. Farms with 12-25 acres of field represented 24 per cent of all farms and 20 per cent of the country's field area. Twenty-one per cent of all farms had 25-60 acres of field and they possessed 37 per cent of the country's field area, or more than any other group.



Juho Paasikivi, President of the Republic since 1946.

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Medium-sized farms, with 60-120 acres of field, represented only 5 per cent of all farms, but their percentage of the total field area amounted to 18 per cent. Fairly large farms (120-250 acres) and large farms (over 250 acres of field) accounted altogether for only 1 per cent of the number of farms, and 12 per cent of the total field area of the country.

Of the land owned by a Finnish farm only a small part is usually agricultural land. The greater part is forest, and there is often waste land.

Apart from small gardens, the cultivated area of Finland covers 8 per cent of the land area, or 5.9 million acres. A good third of it had been cleared by 1860. Since Finland gained her independence, 1 482 000 acres of new field have been cleared. It is estimated that there still is, in the southern half of Finland, 1 840 150 acres of uncleared land suitable for cultivation, two-thirds of it consisting of swamp.

Agriculture consists principally of cattle-breeding and dairying. In 1948 52 per cent of the fields grew green fodder and hay, 36 per cent grain, 6 per cent potatoes and root vegetables, and the remaining 6 per cent lay fallow or grew other crops. The entire hay crop is used as fodder for cattle. Of the grains, the first place is easily held by oats (16 per cent of field area), of which the majority is fed to cattle. Rye (6.5 per cent), barley (6 per cent) and wheat (7 per cent) are used mainly for human consumption. A considerable part of the potato crop, too, is fed to cattle. Mangel-wurzels and turnips are used almost 100 per cent for fodder.

Owing to intensified cultivation methods the crops in Finland improved continuously before the Second World War. Total crops increased by over 60 per cent. The average yield of wheat per acre was 938.6 bu.; of rye 813.4 bu.; of barley and oats 750.9 bu. There was little difference in the size of crops in the various parts of the country.

In 1918 the total harvest was 10-15 per cent below the average for 1935-1939, a deficit roughly corresponding to the loss incurred by agriculture at the conclusion of peace, 11 per cent of the cultivated land.

A special characteristic of Finnish agriculture is diversified farming. Agriculture has many points of contact with hunting and fishing, as well as with gardening. Finnish agriculture is very closely linked to forestry. Commonest, however, is a combination of field crops and cattle breeding.

A central position in Finnish cattle-breeding and agriculture is held by neat cattle. Dairying in Finland is very highly developed, and most of it (90 per cent) is run on co-operative lines.

Particularly since Finland became independent, the increase in milk production, thanks to the improved breeding of cows, has been considerably greater than the increase in the number of cattle. Apart from cattle improvement, production capacity was increased by improved feeding and tending. Of the specialized methods developed in cattle feeding, the AIV Method, invented by the Finnish scientist A. I. Virtanen, has become widely known; with its aid the valuable proteins and vitamins in fresh grass can be preserved.

The present numbers of livestock in Finland—401 000 horses, 1.03 million cows, 1.06 million sheep, 409 000 pigs, and 2.6 million hens—are roughly level with pre-war figures.

Forest Resources

Although agriculture is the source of livelihood for half of the population, the country is also the world's most exclusive producer of timber and woodworking products.

Finland is relatively the richest country in Europe in forests. In no other European country is the percentage of forest of the total surface area as high as in Finland (71 per cent). The forest



A typical view of Saimaa, Finland's largest lake, labyrinthine with islands, peninsulas, bays and straits.

area in Finland is 7 per cent of the total forest area of Europe, although Finland only covers 3 per cent of the total European land area. At the conclusion of peace Finland lost 13 per cent of her then forest area.

The total timber stand, according to the Second National Forest Survey effected in 1936-1938, amounted to 5.5 billion cu.ft., solid measure, including bark. At the conclusion of peace Finland lost 671 million cu.ft., solid measure, of her timber stand, and hence the present timber stand can be assessed at 4.8 billion cu.ft., solid measure, or 12 per cent less than before the war. Growing stand per acre of forest, on an average, amounts to 223 cu.ft.,

solid measure. As regards the total growing stand, Finland holds third place in Europe after the Soviet Union and Sweden.

The distribution of the different species of trees varies. Forests in which pine predominates comprise 53 per cent of the total forest area, while the growing stand contains 46 per cent pine. Spruce-dominated forests amount to 28 per cent of the forest resources and 32 per cent of the growing stand; for birch the corresponding figures are 17 per cent and 19 per cent. Two per cent of the forests are dominated by aspen and 0.1 per cent by grey alder, their percentages of the growing stand being 2 per cent and 1 per cent, respectively.

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Before the territorial cessions, the total annual increment of the Finnish forests amounted to 161 million cu.ft., solid measure. At present the annual increment is assessed at 144 million cu.ft., solid measure, excluding bark; the loss through the peace treaty, as far as increment goes, was 11 per cent. Annual volume increment of forest land per 2.47 acres as an average for the whole of Finland, is 6 000 cu.ft. of timber excluding bark.

Forestry

The main part, 58 per cent, of Finland's forest area is owned by private persons living on hundreds of thousands of farms. Large forest areas, on the other hand, have come under state ownership—34 per cent of total forest area. Wood processing companies, too, own fairly extensive forests (7 per cent of the total).

Silviculturally, the treatment of Finnish forests has suffered from shortcomings. A few decades ago forest had no great value in itself, and its management was not financially profitable. Some years before the war there was a change in this respect. However, the silvicultural condition of a great part of the Finnish forests is still unsatisfactory. According to the National Forest Survey, only 14 per cent of the present forests in Finland were being managed on correct silvicultural lines. The percentage of forests satisfactory in this respect was 51, and unsatisfactory 31, while 4 per cent had been destroyed by spoliation.

On an average, the forests owned by the state, communes and companies have been better tended than those under private ownership. However, a great deal of successful work has been done recently towards improving the treatment of privately-owned forests. In the summer of 1950, a "Forest Crusade" was arranged on the initiative of forestry associations, and 400 000 people gave up

at least one whole day of their time for forest improvement work.

The yield of wood from Finnish forests satisfies all domestic demands, provides raw material for the export industries, and is even exported as timber. Forty-two per cent of the wood consumed is at present used as raw material by the forest industries and as fuel for industry. The second biggest consumer is the rural population, primarily for winter heating, 33 per cent. Other items are of less importance. Exports of unprocessed timber represent only 5 per cent of the consumption, communications take 8 per cent and other consumption comes to 12 per cent.

Of all wood consumed 85 per cent comes from the southern half of Finland, and only 15 per cent is logged in the northern half.

Generally speaking, the growth balance of Finnish forests has been positive, that is to say, the annual increment has exceeded the average removal.

Forest Industries

Finnish industries derive the main part of their raw material from the forests, and Finnish foreign trade is, to a dominating degree, based on the export of wood products.

The majority of these exports are in the form of woodworking products (83 per cent of the total exports). Timber exported unprocessed mostly constitutes pitprops (53 per cent of total exports of unprocessed timber) and pulpwood (26 per cent).

The sawmill industry is the greatest consumer of raw materials. Of timber consumed by forest industries saw logs take 54 per cent, pulpwood 40 per cent, the plywood industry 4 per cent, the match, excelsior, bobbin and furniture industries and shipyards 1 per cent. The annual raw material quantity consumed by the entire forest industry averaged 42 million cu.ft. per annum in 1945-1948.



The waterways are used to bring the timber from the forests to the factories. The timber-floaters often achieve great skill in descending the rapids poised on a single log.

Originally the Finnish forest industry was almost exclusively sawmilling. The paper and pulp industry, which has subsequently become of decisive importance, started in the latter half of the 19th century.

The industry works essentially on an export basis. In the 1920's and 1930's, exports of timber and paper products accounted for 85 per cent of Finland's total exports. During the Second World War the figure dropped to 75 per cent, but after the war it rose again to over 90 per cent. In the interval between the two World Wars Finland was a real world power in the timber market. Of unprocessed timber, Finnish exports represented 17 per cent of the world trade,

of coniferous lumber 20 per cent, of mechanical pulp and cellulose 23 per cent, of paper and cardboard 8.5 per cent, of plywood 28 per cent and of bobbins 82 per cent.

The sawmill industry in Finland attained its peak in 1927, when production totalled nearly 277 million cu.ft. In the subsequent depression period, in 1931, production dropped to 135 million cu.ft., but increased again considerably, although not attaining the 1927 level, in the years immediately before the Second World War. During that war the production of lumber declined to about half the pre-war level. Since the war the sawmill industry has revived, although by 1948 it had only reached

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the 1931 level. About 85 per cent of the production of the Finnish sawmill industry used to be exported before the war. At present, about 40 per cent of the production is placed on the home market.

Compared with sawmilling, the second important branch of the industry, plywood manufacture, is quite young. Finland used to be one of the leading countries on the international market for plywood industry products. Another quite new branch of the forest industry is the pre-fabricated frame house industry, which has achieved a substantial export level within a short space of time.

The Finnish paper industry comprises several closely interrelated branches, the most important of which are the mechanical pulp mills, board, cardboard and building board factories, sulphite and sulphate cellulose mills, paper mills proper, and converted paper products manufacturers. In the last year of peace the production of mechanical pulp and cardboard totalled 750 000 tons, cellulose 1.5 million tons, and paper 590 000 tons. During the war, both production and exports of the paper industry declined and, in spite of the post-war boom, they still remained 10 per cent and 20 per cent respectively below the 1938 level in 1948.

General Trend of Industry

Industrial development during and since the wars of 1939-1945 has been characterized by the fact that Finnish industries in general have developed more rapidly than the basic, or forest industry. It has been customary to include only two of the main industrial groups in Finland, the timber and the paper industries, among the export industries, all other branches being considered as home market industries. A feature peculiar to recent development has been that, during the war, the production level of the export industry sank deeper into the trough of depres-

sion and rose more slowly than the home market industries. Export industries have thus not yet quite attained the pre-war level, whereas the home market industry already exceeds it by a good 50 per cent. However, it is obvious that forest industry production has very nearly attained the maximum possible level considering plant capacity and raw material resources, reduced through territorial cessions. The present normal level of Finland's export industry is likely to be, for this reason, roughly ten per cent lower than in pre-war years. At the top of the list in the expansion of the home market industry in 1945-1947 is clearly the metal industry. The metal industry had already expanded due to war material deliveries, but the real stimulus came from the exacting demands placed on it by war reparations.

Volume index of industrial production, 1938 = 100.

	1942	1945	1949	Relative importance %
Metal industry	109	117	210	21.8
Stone, clay and turf industry	56	73	142	7.8
Chemical industry	96	108	188	2.9
Leather, rubber etc. industry	58	74	130	3.8
Textiles industry	55	77	127	11.1
Foodstuffs and luxuries industries	88	91	136	11.8
Power and light industry	77	100	130	5.2
Graphic industry	110	146	152	2.6
Total domestic industry	84	98	161	67.0
Paper industry	65	55	89	22.9
Timber industry	67	84	123	10.1
Total export industry	65	64	99	33.0
Total industry	78	87	141	100.0

Metal Industry

In the reorganization of industrial production machinery in Finland for the delivery of war reparations, the foundry, engineering shop and shipyard industries have been subjected to the greatest



Generations of peasants have transported tar along the Oulujoki River and sold it to ship-owners and fishermen on the coast of the Bothnian Bay. Today, the water-power of the river is almost entirely used for industrial purposes. The new power station of Pyhäkoski is one of ten such stations which were built during or after the war.

changes. The production capacity of the engineering industry, due to this expansion, has increased to double that of 1938. In the entire metal industry the number of employees had risen from 44 800 in 1938 to 83 000 in 1948.

The biggest group in the Finnish metal industry consists of machine shops and similar plants. The number of workers employed by this group was, in 1946, a good 80 per cent and its production value 65 per cent of the corresponding total figures for the metal industry. The metal industry products included among the war reparations comprise woodworking industry machines and parts, railway engines, passenger and freight cars, electric motors, and complete

woodworking plants. War reparations orders have brought about the large-scale production of forest industry machines and equipment by the Finnish metal industry.

In the second large-scale branch of the Finnish metal industry, shipbuilding, war reparation orders have also led to distinct specialization. In addition, it was necessary to establish an entirely new branch of industry, the building of wooden ships. In the steel vessel industry, the production of tugs and lighters, in particular, has attained a high level, and good progress has also been made in the building of cargo ships of certain types. Wooden boats, mixed constructions of wood and steel

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(composites), both fishing trawlers and lighters, are among the main types being turned out currently.

With war reparation deliveries approaching their close, the stabilization of the position of the forest industry, after its rapid expansion, is one of the most important tasks of today in Finland. By 1950 a capacity corresponding to an annual output of 10 000 workers had been released for other purposes. The endeavor must be, therefore, apart from expansion, to find new export markets.

Mining Industry

The recent expansion of the metal industry has been made possible by the improved availability of domestic raw materials.

The ore deposits found beyond Finland's frontiers, in Sweden, northern Norway and the Kuolla Peninsula, have encouraged ore prospecting in Finland as well. Recent geological research has, in fact, indicated that ores exist in areas previously believed oreless.

The most important mine in Finland is the Outokumpu Copper Mine, the ore resources of which are estimated at 20 million tons, corresponding to a copper quantity of 800 000 tons. The copper content of Outokumpu ore is 4 per cent, a remarkably high figure considering that the majority of the world's copper is extracted from 2 per cent ore. Finnish copper production amounts to twice the domestic consumption.

Industrial development is hampered by the complete lack of domestic oil and coal deposits.

Electric Power

The many waterfalls are of great importance as a source of industrial power. The total water power available, at mean low water, is 1.1 million h.p., which is doubled at normal water. So far only just over 30 per cent of the falls have been harnessed, or enough to satisfy

one-third of Finland's requirements. The balance is covered by various fuels. In recent years electrification has advanced very rapidly. Against 100 million kwh. of electrical energy produced in 1920, the figure for 1938 was 3 108 million kwh. In 1938, 80 per cent of the electric energy was produced by water power and the balance by steam power. Due to the war and record-low water levels, power production sank as low as 1 707 million kwh. in 1940. Since the war the power shortage has redoubled, as power plants situated in the ceded areas were lost and an exceptional drought prevailed—and at the same time power consumption increased with the growth of industrial production. In 1947–1948, hydroelectric power being scarce, 35 per cent of the total amount of electrical energy consumed was produced by steam power. Strict rationing of electricity consumption proved necessary in these years.

The greater part of electrical energy is produced and consumed in southern Finland. The post-war production program, however, included the erection of several large hydroelectric power plants, in northern Finland in particular. Large power stations on which construction work has been started since the war number ten. They were due to be completed by the end of 1950, when they should produce nearly 2 000 million kwh. of energy. As power plant output at the close of the war was 2 350 million kwh., the present building program means an 85 per cent increase in the hydroelectric power harnessed.

Industrial Ownership

The majority of Finnish industries are owned by joint stock and other companies. Of the gross value of Finnish industrial production, 90 per cent is produced by companies. Co-operative societies are responsible for 4 per cent of the gross production value; the State—excluding enterprises in company form

in which the majority of the shares are state-owned—for 3 per cent, and private persons for the remaining 3 per cent.

Industries with 500 workers or more include the large engineering shops, and certain textile factories with a majority of women workers, and employ only 19 per cent of the industrial workers. The majority, 53 per cent, are employed by industrial plants with 50–500 workers. This group includes two-thirds of the Finnish paper mills, and half the saw-mills and other timber industries.

Co-operative Movement

The co-operative movement is a great economic power in Finland. Having overcome the initial difficulties, it has developed vigorously and adapted itself well to Finnish conditions. Finland, in fact, is among the foremost co-operative countries in the world. At present, 5 070 local co-operative societies are in operation; their aggregate membership totals 1.3 million, or 1/4 of the population.

In 1948 co-operative retail societies numbered 490. Their aggregate membership, 920 000, represented 23 per cent of Finland's total population, or relatively more, perhaps, than in any other country. The co-operative movement in Finland has split. One branch (SOK) has as its core the agricultural population (55 per cent of all members), while in the other (KK) industrial workers are in the majority (52 per cent). As regards membership, both branches are fairly equal, and their sales, too, are about the same in range. Retail societies represent 25–35 per cent of the total retail turnover as far as the commodities they sell are concerned. Branches of the co-operative movement, in addition, operate large production plants of their own.

Co-operative credit societies, catering to farmers' credit requirements, number 730, their total membership is 222 500.

Co-operative dairies and milk sale societies number 430. They embrace 72 600

members, owning 535 000 cows, or 49 per cent of all the cows in Finland. Before the war co-operative dairies were responsible for over 90 per cent of the butter production and 70 per cent of the cheese production.

As the co-operative movement is based on firm support from, on the one hand, the agricultural, and on the other the industrial population, it has become the most comprehensive popular movement in the Finnish society.

Shipping

Finland's position as regards foreign connections is almost insular. Both passenger and cargo transport to foreign countries is mainly effected by sea.

During the World War the Finnish merchant fleet was greatly reduced. Sixty-nine vessels, totalling 116 000 gross reg. tons, were sunk in military operations; 95 vessels of a total of 154 500 gross reg. tons were seized in foreign ports, and 104 vessels, totalling 82 500 gross reg. tons, of the newest and most modern tonnage (for example, all existing motor vessels) were handed over to the Soviet Union in accordance with the war reparations agreement. Following these losses, Finland's tonnage in 1945, at its lowest level, amounted to less than 40 per cent of the pre-war figure.

Since the war, however, the growth of tonnage has been rapid. By the end of 1949 the Finnish merchant fleet had already grown to twice its 1945 size, comprising 652 vessels of an aggregate tonnage of 535 000 gross reg. tons. The Finnish tonnage is 0.7 per cent of the world merchant navy. Motor vessels represent 15 per cent of the present total tonnage. New acquisitions include a fair number of cargo boats big for Finnish conditions, vessels of 5 000–10 000 tons or more.

In the last pre-war year 50 per cent of Finland's imports, 26 per cent of the exports, and 41 per cent of the total exchange of goods was carried in Finnish bottoms. Corresponding figures for 1948

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were 69 per cent, 39 per cent and 54 per cent.

Since the peace, shipping lines that ceased during the war have opened up again one after another, regular connections important from the export point of view coming first. However, only 25 per cent of Finland's tonnage is engaged in scheduled service. Roughly, the proportion is the same as before the war.

Foreign Trade

Between the two World Wars, 95 per cent of Finland's foreign trade was transported by sea. With the resumption of trade between Finland and the Soviet Union the Leningrad railway has increased in importance. What is more, this is the war reparations route.

Finland, to a greater extent than many other countries, is dependent on foreign trade, especially imports from abroad. Only the forest industry obtains all the raw material it requires from domestic sources, but for many of its machines and numerous other requisites it, too, is dependent on imports. On the other hand Finland has to import 70-80 per cent of the raw materials needed for her domestic industry. Finland is also compelled to import great quantities of foodstuffs and other purely consumer goods. These comprehensive imports have only been made possible through the fact that Finland, primarily thanks to her abundant forest resources, has been able to export on a considerable scale.

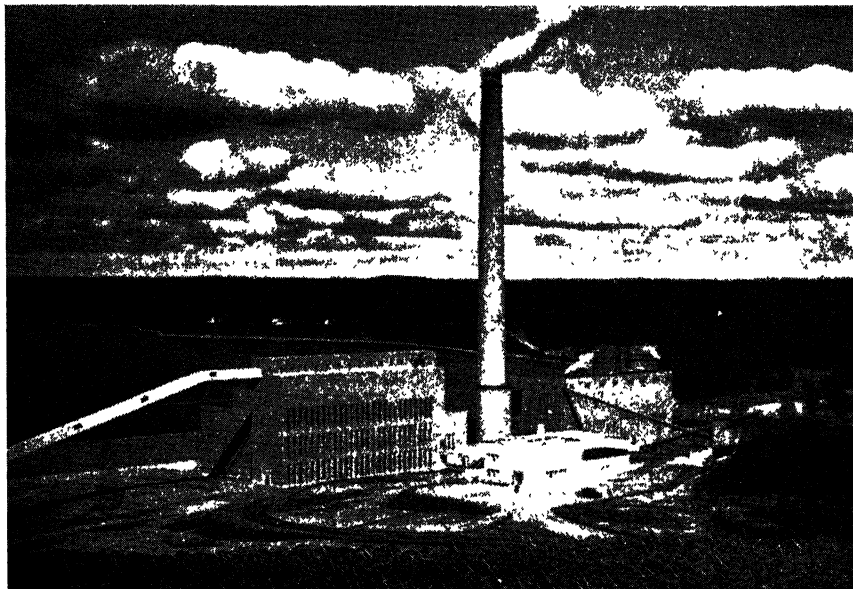
The Second World War greatly reduced Finland's trade opportunities with foreign countries and brought about perceptible changes in their character. In 1944, imports and exports only amounted to 30 per cent and 34 per cent, respectively, of the volume of the last pre-war year, and dropped by half again in 1945, when foreign trade was at its lowest.

Since the war, Finland's foreign trade

has revived fairly rapidly. In 1948, the volume of imports already amounted to 90 per cent of the 1938 level. The volume of free imports, however, was still only 66 per cent of the pre-war level. In addition to free exports, goods have been exported from Finland as war reparations. In 1945 the war reparations deliveries comprised 65 per cent of the total exports, but subsequently their percentage has declined, to 29 per cent in 1946, 19 per cent in 1947, 17 per cent in 1948, and 16 per cent in 1949. The composition of foreign trade since the war has also begun to resume its earlier structure. Of the 1949 imports, raw materials were responsible for 46 per cent, machines and appliances for 23 per cent, foodstuffs 17 per cent and other consumer goods 14 per cent. On the other hand, Finland's free exports, more completely than before, have been based on forest industry products (over 90 per cent).

Before the Second World War 44 per cent of Finland's exports went to Great Britain, 15 per cent to Germany and 9 per cent to the United States. Of the imports, 22 per cent came from Great Britain, 20 per cent from Germany, 13 per cent from Sweden and 9 per cent from the United States. The war affected this breakdown in many ways, but Great Britain has retained her position as Finland's most important trading partner. Her percentage of the total exports in 1949 was 27, and of imports 22. The importance of the Soviet Union in Finnish foreign trade has grown considerably. In 1948 the United States accounted for 9.5 per cent of the exports and 12 per cent of the imports, while the figures for 1949 were 7.5 per cent and 7.5 per cent.

Finland's trade balance, from the early years of independence to the outbreak of the Second World War, generally showed a surplus of exports. The war interrupted this development. Since the beginning of the war imports have exceeded exports in value. In 1949, how-



The site of a sawmill is selected with a view to an ample supply of raw material by convenient waterways. For instance, the Kaukopää factory, one of the biggest in the world in its branch, is situated in dense woodland.

ever, Finland's trade balance had very nearly reached the stage of equilibrium.

At present Finland has bilateral trade agreements with 26 countries.

One of the most important agreements is the trade agreement with the Soviet Union dated June 13, 1950, by which a program has been adopted for mutual deliveries during the years 1951-1955. Among other things, this program enables Finland to export commercially a substantial part of the goods which have hitherto been produced for war reparations and which would otherwise have constituted a marketing problem when the war reparations deliveries cease in 1952.

Domestic Trade

Distribution of goods in Finland is effected ultimately through retail shops, which now total 19 000. Of the shops, 82 per cent are owned by private persons, 3 per cent by co-operative societies and 15 per cent by joint-stock companies. Retail shops purchase their goods mainly from wholesale businesses. These fall into three main categories, private wholesale firms, central co-operative associations and associations of rural retailers.

Constitution

According to the Constitution of 1919 Finland is an independent sovereign re-

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public. Political power in Finland is vested in the people, represented by their delegates assembled in the Parliament. The Parliament wields legislative functions in conjunction with the President of the Republic. The supreme executive power is also vested in the President, elected for a term of six years. The present President of the Republic is J. K. Paasikivi (born in 1870), elected in 1946, and re-elected in February 1950 for the period 1950-56. He is the seventh president of the Republic, after K. J. Ståhlberg, L. Kr. Relander, P. E. Svinhufvud, Kyösti Kallio, Risto Ryti and C. G. E. Mannerheim. For the general government of the State, there is a Council of State (Cabinet), composed of the Prime Minister and Government Ministers, who may not exceed 18 in number. The parliamentary principle that the Cabinet must be composed of citizens enjoying the confidence of the Parliament is expressly observed. Judicial power is wielded by independent courts of law, the highest instances being the Supreme Court of Justice and the Supreme Administrative Court.

Administrative power proper in the Republic of Finland is wielded by the Council of State, the cabinet. Its members are appointed by the President of the Republic. There are ten permanent ministries, including Foreign Affairs, Justice, Interior, Defence, Finance, Education, Transport and Public Works, Trade and Industry, and Social Affairs. The Ministry of Supply was abolished in 1950. The Social-Democratic Fagerholm Government was succeeded in March, 1950, by a center government, in which the Agrarians, the Progressive Party (Liberal) and the Swedish People's Party are represented. The Prime Minister is Urho Kekkonen, L.L.D., Agrarian. As Foreign Minister, Åke Gartz succeeded Carl Enckell.

Characteristic of Finnish administration are central government offices for the various administrative branches, separate from the Government, with an intermediary function between the Gov-

ernment and the local authorities. Their activities cover the entire country, and they are directly subordinated to the ministry governing that administrative branch. Such central government offices include the Board of Public Health, the Customs Office, the Board of Education, the Board of Agriculture, the Board of Postal and Telegraphic Services.

For the purposes of local administration, the country is divided into nine provinces under administrative councils headed by provincial governors. In addition to these provinces, there is the Autonomous Province of Åland. Each of the provinces is divided into sheriff's districts. A sheriff's district usually comprises one or more rural communes.

The authority for most decisions on general matters pertaining to the individual localities is delegated to the communes by the government. The local government authorities (communal and municipal councils) are elected for three years at a time.

The Constitution of Finland of 1919 contains provisions on the general rights of citizens, the purpose of which is to secure these rights against the encroachment of public power. All Finnish citizens are equal at law, and may only be convicted by a court to which they are legally subject. The Constitution fully guarantees the Finnish citizen protection of life, honor, personal liberty and property, sanctity of the home, and freedom of residence and travel within the country. The labor of subjects is given special protection. The Finnish citizen has the right of public and private worship, provided he does not violate the law or good usage; he is free to resign from the religious community of which he is member, and free to enter another church. Privacy of the mails, telegrams and the telephone is inviolable. The Constitution also assures the citizens the right of meeting and of association, freedom of speech and freedom of the press. The linguistic rights of the Finnish and the Swedish-speaking popula-

tions are also guaranteed in the Constitution.

Finland has a single-chamber parliament of 200 representatives, elected by universal, proportional suffrage. The right to vote, with certain minor exceptions, is possessed by all Finnish citizens at the age of 21. Elections are held every third year. The last elections were in 1948. Finland was the first country in Europe to grant the vote to women.

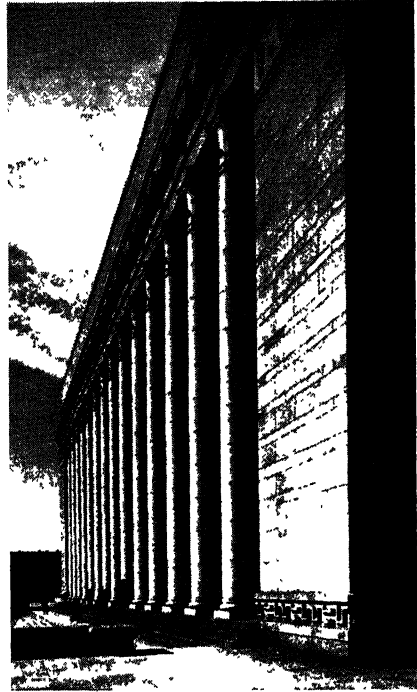
The political parties represented in the present parliament are the Coalition Party (conservative), Progressive Party (liberal), the Swedish Party, the Agrarian Party, the Social-Democratic Party, and SKDL (Communists, Socialist Union Party, etc.). There are 23 women members.

Representation in Parliament
(1950)

	Number of members
Swedish People's Party	14
National Coalition Party	33
National Progressive Party	5
Agrarian Party	56
Social-Democratic Party	55
SKDL (Coalition including Communists and left- wing elements)	37
Total	200

History

The settlement of Finland began in the first centuries A.D. By the year 1000, settlements in Finland consisted of fur hunters who had arrived in small groups. Initially there were rather scattered communities of free men, but during the twelfth century, with the Catholic Church establishing itself in Finland, these dispersed groups were more closely united under a stronger administration. Somewhat later Finland was transferred to Swedish rule; after 1362 the country participated in the election of the Swedish king and in Swedish parliamentary activities. When, through the reformation of Gustav Vasa's time, Sweden adopted the Lutheran



Parliament House (architect: J. H. Sirén).

faith, Finland also became an Evangelical Lutheran country.

As a part of the Swedish kingdom, on which the status of a grand duchy was conferred in 1581, Finland's history followed the vicissitudes of Sweden's very closely for five hundred years. Finland was involved in the wars waged by Sweden, and, in consequence, districts in the southeast were ceded to Russia in 1721 and 1743. This part of the country, called "Old Finland," was not recovered until 1812. As part of the Swedish kingdom Finland also participated in the creation of the joint form of government, which remained in force even after Finland was incorporat-

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ed with Russia, as a result of the 1808–1809 War, and granted autonomy. The autocratic Russian Czar was Grand Duke of Finland, bound by the Finnish constitution and dependent on the co-operation of the Finnish Diet. The administration of the country was vested in Finnish citizens. However, in the early days of Russian supremacy the Diet was not convened, and legislative activity stagnated until mid-century. From the 1860's the Diet was to convene at prescribed intervals, and the beginning of an intense development of the Finnish social system was made possible. The old Parliament of the Four Estates (nobility, clergy, commoners and peasants), however, no longer met the requirements of the time. Finland gave it up in 1906 for a new democratic parliamentary system. A single-chamber parliament was established, elected by secret and proportional ballot of all citizens. Women were granted the vote.

Finland's autonomous rights were respected by all the czars with the exception of Nicholas II, who, due to pressure from Russian reactionary circles, started at the turn of the century to violate systematically the rights guaranteed to Finland. The Finns then commenced passive resistance; active resistance movements also came into being in the turmoil of the First World War. Finland declared her independence on December 6, 1917. But it was not until the next year, having had to secure her independence by force of arms and the sufferings of a bitter civil war, that Finland could set about laying the foundations for her independent existence. According to the Form of Government Act which entered into force in 1919, Finland became a republic with a parliamentary government.

The rapid developments in the period of independence, particularly favorable in the social and economic sphere, were interrupted on the outbreak of the Second World War. After the negotiations of the autumn of 1939, which concerned certain territorial demands and were fruitless, Finland became involved in a war against

the Soviet Union. This so-called Winter War continued until March 13, 1940, and at the conclusion of peace Finland had to make territorial cessions (see «The Country»). In the summer of 1941 Finland was again drawn into the sphere of military operations. An armistice was concluded with the Soviet Union on September 19, 1944. Military operations continued in the north against German troops, who destroyed northern Finland in their retreat. Final peace between the Allied Powers and Finland was established by the Peace Treaty signed in Paris on February 10, 1947, which took effect September 15, 1947. Baron C. G. E. Mannerheim, Marshal of Finland, was commander-in-chief of the Finnish forces in the three wars of 1918, 1939–40 and 1941–44. (Ceded areas, see «The Country».)

The Aland Islands

The Province of Aland enjoys considerable rights of self-government. The autonomous institution proper is the Provincial Congress, elected by universal suffrage and wielding legislative power within the Aland Islands except where such rights are reserved to the Republic by the 1920 Act on the Autonomy of the Aland Islands. Responsible for the administration of the province is the Provincial Council, elected by the Provincial Congress; the Council is headed by a Land Councillor. The Finnish government is represented by a provincial governor appointed by the President of the Republic. The official language of the Aland Islands is Swedish. The inhabitants of the province are exempted from conscription, but are obliged to undergo an equivalent period of service in the pilot and lighthouse service.

An international agreement concluded at Geneva in 1921 provided that the Aland Islands should remain unfortified and their neutrality maintained. In 1922 the Finnish Parliament passed a so-called Guarantees Act, by which certain civil rights were guaranteed to the

population of Åland. In 1940 Finland and the Soviet Union signed an agreement on the same lines. The Government has submitted to the Parliament a proposition for a new Act on the Autonomy of the Åland Islands.

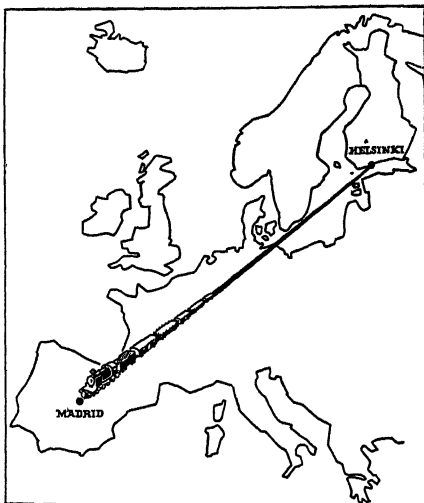
War Reparations and Economic Losses

The armistice treaties of the fall of 1944, with Rumania, Finland, Hungary and Bulgaria, enjoined upon each of these countries the payment of war reparations of 300 million gold dollars, in commodities, to the Soviet Union.

The original stipulation was that Finland should pay her reparations within 6 years, at 50 million dollars annually.

The reparations as specified bore very little relation to the structure of the Finnish national economy. In spite of the fact that, previous to the Second World War, metal industry products comprised up to 23 per cent of the Finnish imports and only 2 per cent of the exports, over 60 per cent of the reparations deliveries specified were metal and cable products, while the main export products (85 per cent of exports), timber and forest industry products, amounted to only a third of the war reparations.

In addition, the low price level laid down considerably increased the burden of the war reparations. Prices were fixed at the prices prevailing on the international market in 1938, increased, however, by 15 per cent for machines, plants and ships, and by 10 per cent for finished products. Similar in effect was the stipulation for such technical quality standards for many war reparations products that supply costs were raised above their nominal level. The burden of war reparations, due to these factors, is estimated to have been increased by at least 50 per cent, calculated at 1944 prices. Proportionately to the rise in the general price level on the international market, the difference between the



During the first six years after the signing of the treaty, war reparations deliveries to the Soviet Union corresponded to 340 000 freight cars.

war reparations dollar and the gold dollar widened. In terms of present-day dollars, the deliveries can be assessed at 2.5 times their nominal value.

In part due to the heaviness of the war reparations, in part to post-war difficulties of a general nature, the punctual fulfilment of war reparation obligations proved difficult. The Soviet Union, however, in different connections, agreed to a number of relaxations. At the end of 1945 the reparations period was extended from six to eight years, due to which the annual obligation, from the second reparation year onwards, was reduced from 50 to 36 million war reparations dollars. From July 1, 1948, Finland was granted a 50 per cent reduction in the war reparations still outstanding. The reduction, 73.5 million war reparations dollars, or 24.5 per cent of the original total, meant a reduction of the total war reparations

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from 300 to 226.5 million war reparations dollars.

In the earliest war reparation years, much of the deliveries were forest industry products and ships already in service, for example. These years, therefore, provided a breathing space for the engineering shop industry and other metal industries; the time was used for the realization of expansion plans and these industries were also able, in due course, to undertake work for reparations obligations. Reorganization of production brought in its train, among other things, the problem of finding and training the labor. For the regrouping and development of the technical production machinery and a labor force, a special Delegation of War Reparations Industries (SOTEVA) was established.

By the end of December 1950 Finland had paid off 199.4 million war reparations dollars; the deliveries due between January 1, 1951 and September 19, 1952, total 29.3 million war reparations dollars. During the first six war reparations years the total of war reparations commodities delivered to the Soviet Union corresponded to 340 000 freight car loads. Assembled into a train, these cars would cover a length of 1 875 mi.

In the first reparations year the percentage of reparations deliveries amounted to 17 per cent of the national income at market prices. Subsequently, this percentage has dropped to 7.5 per cent due to the relief in annual rates and the continued revival of production activities. At the moment, the annual rates are 17.5 million war reparation dollars, or 3 per cent of the national income.

The contribution of the ceded territories to grain production before the war was 10 per cent, to the potato crop 14.5 per cent, to milk 12 per cent and to meat 9 per cent. These territories accounted for 11 per cent of Finland's total industrial production, 30 per cent of its fishing catch, and 12 per cent of the annual increment of forest. The loss in industrial productive capacity amount-

ed for cellulose to 25 per cent, hydroelectric power 20 per cent, and for plywood to 15 per cent. Located in the ceded territory were the rich nickel ore mines of Petsamo, and, on the Arctic Ocean, the only Finnish port ice-free all the year round. Further, Finland lost Viipuri, the center of East Finnish trade, and a well developed network of communications, 17 per cent of the total trackage of the railways, the Saimaa Canal, and several important ports, through which passed 15-20 per cent of Finland's shipping. Taking everything into consideration, the ceded territories represented 13 per cent of Finland's peace-time national property.

Finance and Inflation.

The wars of 1939-1945 loaded a very great burden onto the whole economic life of Finland, and onto the public economy in particular. For this reason it has not been possible to prevent a decline in the value of money, and since 1939 the value of the Finnish mark has decreased continuously. Computed on the basis of the cost of living index, the value of the mark, by the end of 1944, had dropped to about half of what it was before the Winter War. War reparations and extensive reconstruction obligations since the war have burdened both state economy and private economic life. In addition, the cost level, owing to wage increases, has risen to such an extent that an inflation, greater than that of the war years, was inevitable. According to the cost of living index the price level has risen to about nine times, and according to the wholesale price index to thirteen times the pre-war level. Hence the value of the Finnish mark, after the Second World War, has been reduced about as much as it was by the First World War. Since the latter half of 1948 a temporary stabilization, at least, was achieved. The devaluations effected in 1949, by 17.7 per cent in relation to the dollar in July,



Olavinlinna, founded in 1475, near the southeastern frontier of the country, is reminiscent of Finland's grim past of incessant warfare. The heavy walls and cylindric towers of the castle are built on a rocky island.

and by 44.4 per cent in connection with the devaluation of the pound sterling in September, however, introduced a new inflationary tendency.

The year 1950 began with a general wage increase of $7\frac{1}{2}$ per cent, but in spite of this rise the strong pressure of wage increase demands constituted a serious problem for the new government formed about the middle of March. With the country facing a threatened general strike, the Speaker of the Parliament, K. A. Fagerholm, acted as mediator and brought about labor peace by persuading the parties to accept a general 15 per cent rise in wages and salaries. At the same time wages were bound to the April cost of living index, which again caused a 5 per cent increase in wages and salaries. The Government was able to check a

threatening wave of inflation by increasing subsidies to agriculture, and thus preventing a rise in the prices of the most important foodstuffs. But in August the organized workers in the metal industries struck because unanimity could not be reached on how the Fagerholm Agreement should be interpreted. SAK (Central Federation of Finnish Trade Unions) and the Social-Democrats as a party supported the workers. The strike, in which over 80 000 workers took part, lasted two months before another compromise was reached.

State Economy

A characteristic feature of the war years was the intense growth of public expenditure. In 1944 the real total ex-

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penditure of the State amounted to 35 000 million marks, equal to about 700 million dollars. This was seven times the 1938 figure—disregarding the reduced value of money. The Government's proposed budget for 1951 totals 125 000 million marks, equalling \$ 541 000 000.

During the war the Government was particularly anxious to bring about a fair distribution of the war burdens. Remarkable in this respect is the change that took place in the relationship between direct and indirect taxation. In the last pre-war years 68 per cent of Finland's tax revenue came from indirect taxation, 23 per cent from direct taxation and 9 per cent from other forms of taxation. During the war direct taxation was increased, and in 1941, for instance, 56 per cent of the tax revenue derived from direct taxation, 28 per cent from indirect and 16 per cent from miscellaneous. The war reparations obligations and compensation for the losses incurred by the evacuees made it impossible to relieve the burden of taxation after the war.

During and after the war the public debt in Finland increased, too, totalling 140 000 million marks in 1949, of which foreign debt was 45 per cent, domestic debt 55 per cent. Initially, the acquisition of war material, and subsequently the improvement in the supply situation, were to a great extent effected with foreign capital, as were the purchases for war reparations industries. To start with, the most important creditor was Sweden. Since 1946, this position has been held by the United States.

A great forest owner, operator of practically the entire network of railways, proprietor of the post and telegraph services, the Finnish State is a remarkable entrepreneur. In addition, the Finnish State operates as an entrepreneur in the forest industry and mining, carries on extensive production of chemicals and owns large engineering shops producing, *e.g.*, rolling stock. Some of these industrial enterprises are di-

rectly state-owned, some are owned by joint-stock companies in which the State has absolute authority. Through its subsidies to agriculture and in connection with the control of production and distribution, the State is, in addition, involved in the trade in foodstuffs. In general, through the control of foreign and domestic trade, as well as through wage and price controls during and after the war, the State has come to participate more extensively than ever before in economic life.

Since the year 1948 a constant tendency to free economic life from state control has prevailed. The rationing of textiles has been abolished, and also that of most foodstuffs. In 1950 only sugar, margarine and coffee were still rationed.

Defense

Every Finnish male citizen is subject to compulsory military service (between 17 and 60). At the age of 19 he is called up for 240 days' service the following year, for special arms 330 days.

According to the Peace Treaty of 1947 Finnish military, naval and air armaments and fortifications must be limited to such as are required for internal tasks and local frontier defense. Army personnel, including frontier guards and anti-aircraft units, may not exceed a total of 34 400 men; the navy is limited to a total of 10 000 tons and 4 500 men, and the total air force strength, including naval and reserve aircraft, to 60 aircraft and 3 000 men. The total Finnish defence forces are thus restricted to 41 900 men.

Foreign Policy

The President has the power of decision in the nation's relations with foreign powers. Agreements with foreign powers must be approved in general by Parliament. Decisions of war and peace rest with the President in conjunction with Parliament.

As it is of vital importance for Finland to remain outside the conflicting interests of the great powers, it is a chief aim of Finnish foreign policy to maintain good relations with all countries. Of particular importance to Finland is the maintenance of friendly relations with the Soviet Union and with her other neighboring countries. The Peace Treaty was signed in Paris on February 10, 1947. Finland has punctually fulfilled all the stipulations of this Treaty, and war reparations are to be completed by 1952. The Peace Treaty is supplemented by an agreement concluded between Finland and the Soviet Union in Moscow on April 6, 1948, the Agreement of Friendship, Co-operation and Mutual Assistance. The most important clauses of the said agreement are of the following content:

Art. 1.

In the eventuality of Finland, or the Soviet Union through Finnish territory, becoming the object of an armed attack by Germany or any State allied with the latter, Finland will, true to its obligations as an independent State, fight to repel the attack. Finland will in such cases use all its available forces for defending its territorial integrity by land, sea and air, and will do so within the frontiers of Finland in accordance with obligations defined in the present Agreement and, if necessary, with the assistance of, or jointly with, the Soviet Union.

In the cases aforementioned the Soviet Union will give Finland the help required, the giving of which will be subject to mutual agreement between the Contracting Parties.

Art. 3.

The High Contracting Parties give assurance of their intention loyally to participate in all measures towards the maintenance of international peace and security in conformity with the aims and principles of the United Nations Organization.

Art. 6.

The High Contracting Parties pledge themselves to observe the principle of the mutual respect of sovereignty and integrity and that of non-interference in the internal affairs of the other State.

Although Finland is not a member of the United Nations, she has participated extensively, even officially, in the new international economic, social and cultural co-operation. The most permanent and extensive field of co-operation is represented by the nine technical bodies, the so-called United Nations specialized agencies, of which Finland is a member. They are ILO, FAO, WHO, BANK, ICAO, ITU, UPU and WMO.

Furthermore Finland co-operates with the Economic Commission for Europe (ECE) and the United Nations International Children's Emergency Fund (UNICEF).

Labor and Management Organizations

In contrast to the other Northern Countries, trade unionism as well as other branches of the workers' movement have been forced along a course of external crises and internal policy struggles. The first trade unions federation was established in 1907, and its membership attained a peak in the year of revolution, 1917, increasing four times over within the year (from 41 000 to 160 000). During the Civil War, in the early days of Finnish political independence, a fierce struggle began between Socialists and Communists for mastery within the organization and the latter gained the upper hand. This resulted in the Socialists and certain unions walking out of the organization. In 1930 this trades unions organization was suspended.

A new trades unions organization, Suomen Ammattiyhdistysten Keskusliitto (SAK), Finlands Fackföreningars Centralförbund (FFC), the Central Federation of Finnish Trades Unions, was

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established the same year, consisting mainly of Social-Democratic workers. By the end of the 1930's its membership exceeded 60 000. In 1945-1946 the membership of SAK more than tripled (from 86 000 in 1943 to 300 000 in 1946), where it now stands, having been up to 350 000 in the interim. The member unions at present total 40.

Since the war the struggle for supremacy within SAK between the Socialists (60 per cent) and Communists (40 per cent) has been fierce.

The non-manual employees, whose organizations to date have been much weaker than that of the workers, have also recently started to combine in The Central League for Non-Manual Work, *Henkisen Työn Keskuksliitto* (HTK), *Centralförbundet för Intellectuellt Arbete* (CIA) (1944). The post-war year of crisis, 1945, meant sudden growth similar to that experienced by SAK. In 1948 HTK membership had already reached 65 000, as against only 25 000 in 1944.

The first general central body of employers was established in Finland in 1907, and, in a revised form, it was reorganized in 1918 as the Finnish Federation of Employers, *Suomen Työnantajain Keskusliitto* (STK), *Arbetsgivarnas i Finland Centralförbund* (AFC). Members of the Federation are the employers' associations in the different branches of industry, 30 in number in 1947. STK negotiates with SAK on the bases of labor agreements generally.

Social Structure

Finnish society is composed mainly of small earners. Decisively the largest element is the working class, 56 per cent. Of the farmers (21 per cent), 86 per cent are small farmers. The upper strata of Finnish society are fairly thin. Only 12 per cent can be assigned either to the middle or upper class.

The division of both property and income is very even in Finland. Roughly 75 per cent of all taxable persons have

no property reaching a taxable level, and the highest taxed class includes less than 10 per cent of all those paying taxes.

The contrasts between the various layers of society, in general, have been evened out in Finland more so than in many other countries. Rapid social progress in fact is one of the characteristic features of the Finnish society.

Effects of World War II on Population

As a result of the wars, every 17th married woman between 15 and 45 years of age is a war widow, every 24th child under 18 is a war orphan, every 16th man between 20 and 49 is disabled, and every 9th Finnish citizen has lost his home.

The losses during the Winter War of 1939-1940 totalled 25 000, in the wars of 1941-1944 and 1944-1945 (in Lapland) 60 000, or a grand total of 85 000. Over 90 per cent of the killed were 20-39 years of age. These losses amounted to 2.2 per cent of the population and 7 per cent of the population capable of work, and correspond to the surplus of births over deaths for nearly five years (1936-1940).

The legacy of wounded and diseased left by these three wars, who are entitled to annuities on the strength of the War Disablements Act, amounts to 50 000 men.

The most important group of those who lost their supporters due to the war are the war orphans, at present totalling about 50 000. Every war orphan is entitled to a welfare pension until he reaches the age of 17, and training for a trade at Government expense.

The widows of those killed in the Winter War number 10 000, and in the other wars 14 000, or a total of 24 000. All war widows are entitled to a welfare pension and to assistance in finding employment, professional training, and grants for equipment at State expense.



Smallholders' houses, painted red with white trim, are seen everywhere in the Finnish countryside.

If they marry again they are entitled to a lump-sum equal to a three year pension.

Of the immediate problems left by the war, however, the most far reaching is the settlement within the reduced territory of Finland of the evacuees from the territories ceded to the Soviet Union, and their adaptation to their new surroundings. Largest in number is the evacuated population of Karelia, 413 400, while those who left Lapland total 10 800, and 5 800 come from the Porkkala Lease District. Their resettlement has necessitated extensive agricultural and housing measures. The great majority of the evacuees are farmers and agricultural workers.

When the third Finnish war, the military operations against the Germans in Lapland, started in the autumn of 1944, 104 000 inhabitants of Lapland had to

be evacuated. Some 56 000, together with their cattle, received a temporary abode in Sweden, and 48 000 were placed in south part of Finnish Lapland. Not until the spring and summer of 1945, after the German mines had been substantially cleaned away, could these evacuees return to their former dwelling places, thoroughly devastated by the Germans during their retreat. In East and North Lapland, 60-90 per cent of all the buildings had been destroyed. In part thanks to foreign help in material and workers, of which the Swedish donations of building materials and the relief work carried out by UNRRA and the Quakers are outstanding, it was possible to carry out reconstruction in Lapland shortly after the war. The total of buildings erected in Lapland up to the end of June, 1949, numbered 13 950, of which 5 170 were living

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houses, 3 820 cattle-sheds, and 4 960 other general purpose buildings. In addition, 1 890 buildings have been repaired or enlarged.

Social Policy and Social Legislation

The most important aspects of social policy in Finland have been the settlement activities, social insurance, labor protection, welfare work and population policy, housing policy and public health, and temperance legislation.

The wars of 1939-1945, with their consequences, forced social policy to extend over several new fields, and at the same time very greatly restricted Finland's available economic resources in this sphere. During and after the war, in spite of economic difficulties, social legislation was generally greatly widened in scope and intensified in application.

In 1948, accident insurance, which had covered manual workers, was extended to intellectual workers. Old age and disability insurance covering practically the whole nation, the so-called People's Pension Act, has been in force since 1939.

Previously the need for legislation protecting labor was not felt as much in Finland as in other countries industrialized earlier. Only since Finland gained her independence has this field of legislation been pushed forward at a rapid rate. The development has been particularly intense since the Second World War. In 1946 were passed the Acts on Collective Bargaining, on Settlement of Labor Disputes, and on Industrial Disputes' Courts, entrusted with the settlement of disputes regarding the interpretation of labor contracts. In the same year, an act—experimental in nature—was passed on advisory production committees—and has now become permanent. Its aim is to provide workers with an opportunity of acquainting

themselves with the activities and administration of the business enterprise employing them. In 1946 hours of work regulation was intensified by passing an Act on Working Hours, the Paid Annual Holiday for Workers Act, and an Act on the Hours of Shops and Business Offices. Similarly, in 1946 an Act on Workers' Councils was passed; the task of these councils is to settle questions of interpretation arising from the application of the laws protecting workers.

During and since the war, increasing attention has also been paid to population policy. According to the Maternity Benefits Act passed in 1937, maternity benefits were granted only to mothers of limited means. But since 1949 every mother has been entitled to a maternity benefit. Under the Family Allowance Act, passed in 1943, the State grants subsidies to families with at least five children under 16. By the 1948 Act on Child Allowances the State grants a monthly allowance for every child under 16.

During the war, a uniform Public Health Legislation Act was also completed. Public health work starts with the provision of a welfare service for mothers, for which the communal midwife was made responsible (1914) and which is centralized in the communal Maternity and Child Advisory Clinics made compulsory for every commune in 1944. It is also compulsory (1944) for communes to employ a district nurse. In addition to instruction on the care of babies, she is also responsible for the health of children of school age. Finland was one of the first countries in the world to pass a so-called School Meals Act (1943), which entitles every pupil attending a public elementary school to a free meal from the school kitchen.

In order to secure a living for those directly suffering from the war the State has been compelled to take a number of extensive measures. The War Accidents Act and other comparable laws—designed to secure the subsistence of the



The newly-built inn Pallastunturi, far beyond the Arctic Circle. A great number of foreign tourists find their way every year to the winter sport centers of northern Finland. Their luggage is conveyed to the hotel in small sleighs drawn by reindeer.

families of conscripts, war invalids and their families, and of the families of those fallen and missing in the war—have been amended and extended. The aim of the Work Welfare Acts for the disabled, war widows and war orphans has been to provide an opportunity for them to become self-supporting. Endeavors to alleviate the consequences of the war have also led to extensive measures of agrarian and housing policy.

Since Finland gained her independence, housing conditions, both in rural and urban districts, have gradually developed favorably. The war, however, caused a serious setback. One of the most striking consequences of the

war is, in fact, the appalling shortage of living quarters. The housing deficit, about 50 000 flats in 1944, had increased to 74 000 by 1949. To ease the situation, parliament adopted a state-subsidized building program, the so-called ARAVA Scheme, in 1949. According to this the State, between 1949 and 1953, will grant a total of 22 000 million marks of low-interest building loans for centers of population. In 1949 3 000 million marks were released for such loans, making possible the building of about 6 000 new flats. ARAVA loans cover up to 40 per cent of the building costs, but the percentage may be increased to 65 for houses for

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large families of small means. Such families, what is more, can obtain special housing subsidies under which 20–70 per cent of the rent is paid from government funds.

During and after the war free relief work also increased in scope, more than ever before. Existing organizations expanded their activities and new welfare organizations were established. To serve as the central organization for free relief work, "Finland Relief" was established, and the extensive foreign relief activities for Finland are also dealt with by this body.

The amount spent today by state, communal and free relief organizations, and by employers on social welfare work is estimated to equal 10 per cent of Finland's national income.

Education

According to a special Compulsory Education Act, all children in Finland are obliged to complete 6 years of elementary schooling. The child must start school in the autumn of the year in which it becomes 7 years of age.

During Finland's independence the number of public elementary schools, and at the same time of teachers and pupils, has grown continuously. Against 7 700 teachers and 270 000 pupils in 1920–1921, by 1938–1939 the figures reached 14 000 and 496 000, and in 1948–1949 15 700 and 483 000. By 1938–1939, the pupils had increased by 82 per cent. The recent decline in the number of pupils is the result of a declining birth rate on the one hand, and on the other a sign that an increasing percentage of children, under the Compulsory Education Act, attends secondary schools. The number of secondary school pupils in Finland is relatively higher than in any other Northern Country.

Education, as the main road to social progress, has gained in importance since Finland's independence was achieved.

Farmers and industrial workers, in particular, have begun to send their children to secondary schools to a fairly great extent. While in 1940–1941 17 per cent of the parents of secondary school pupils were farmers and 12 per cent industrial workers, by 1946–1947 the figures had increased to 22 per cent and 15 per cent respectively.

The majority of the pupils in secondary schools were at first Swedish speaking. In 1875–1876, only 26 per cent of the pupils reported Finnish as their mother tongue, in 1905–1906 66 per cent, 1935–1936 81 per cent and in 1948–1949 88 per cent. The development has been similar with regard to students matriculating at Helsinki University. In public elementary schools the percentage of Finnish speaking pupils in 1947–1948 was 93.

The increase in school attendance has resulted in an immense growth in the number of students attending universities and colleges, particularly since the war. There are six universities and institutions of higher learning; Turku (Åbo) has Turun Yliopisto and Åbo Akademi. While the students at universities and colleges in 1920–1921 totalled 3 600, the figure for 1940–1941 had risen to 8 750 (increase 143 per cent), and by 1945–1946 to no less than 14 250 (increase on the former figure 62 per cent). Although new colleges have been established, the main increase has been at the State University, established in Turku in 1640 and transferred to Helsinki in 1828. Its students exceed 10 000 in number, surpassing the figure for any other university in the Northern Countries. As in the case of the secondary schools, there are relatively more students at the university level in Finland than in the other Northern Countries.

In addition to the State University, Helsinki has the Institute of Technology and two business colleges.

While secondary schools had 89 000 pupils, the total for trade schools was

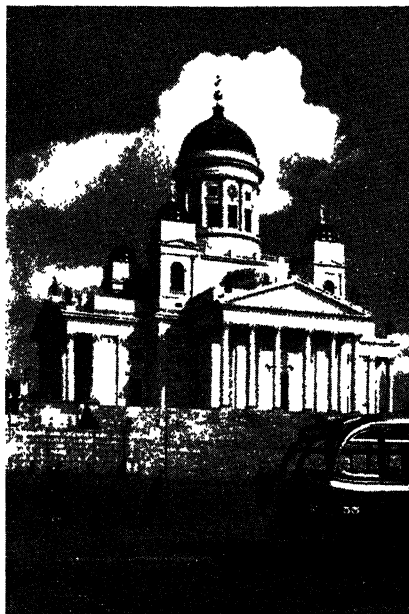
only 32 000. And yet trade schools are well distributed throughout the country, comprising 460 educational institutions. In fact, one of the most important present-day tasks of Finnish educational institutions is to intensify the development of apprentice training and its coordination with other educational work.

Adult education work takes a variety of forms. In Finland, as well as in the other Northern Countries, the people's colleges have a profound influence in stimulating intellectual life, particularly in regard to rural youth. Of the 81 people's colleges existing in Finland at present, 10 were founded during the difficult war years. The annual number of pupils is 4 000, 75 per cent women and 25 per cent men. Forty per cent come from homes of small means. The majority (70 per cent) of the students, over 30 000, at the 92 Workers' Institutes in Finland are manual laborers from towns and other industrial areas. Of the forms of popular education not covered by any law, the study circles are most important. They total 2 000 in number, and their membership comes to at least 40 000. In a sparsely populated country like Finland, correspondence courses play a special role. The biggest correspondence institute in Finland now has 23 100 students. Reading matter is supplied by 2 600 public libraries, from which 340 000 people annually borrow 5 million books.

Press and Broadcasting

The Finnish press is a free press. The Constitution explicitly guarantees the freedom of the press. There is no restrictive legislation as to who is entitled to found, publish and own a newspaper.

The circulation of the Finnish press is remarkable, considering the population of the country. Its total circulation of 1 600 000 copies means that nearly every second person in Finland, children



Suurkirko (Great Church), Helsinki. C. L. Engel, architect and townbuilder (1778-1840), has left his stamp of homogeneous neoclassicism on the administrative center of the capital.

and young people included, regularly buys a newspaper or subscribes to one.

About 120 newspapers are published in Finland. Papers appearing seven days a week represent 39 per cent of the total circulation, those appearing six days a week 35 per cent. Eighteen of the papers appear in the Swedish language, representing a little more than 11 per cent of the total circulation.

The biggest of the newspapers is *Helsingin Sanomat*, liberal, appearing in the capital. Next come *Uusi Suomi*, conservative, *Hufvudstadsbladet*, Swedish party, and *Suomen Sosialidemokraatti*, the principal labor paper, all appearing in Helsinki. The leading papers of the

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Agrarian party are *Maakansa*, *Savon Sanomat* and *Ilkka*. The principal Communist paper is *Työkansan Sanomat* and the organ of SKDL is *Vapaa Sana*, both of them in Helsinki. *Suomen Tietotoimisto—Finska Notisbyrå* (Finnish and Swedish name, abbreviated STT or FNB) is the principal news agency. Among the weekly magazines *Suomen Kuvalehti* has a wide circulation. For information on economic life the magazines *Talouselämä* and *Mercator* are important.

Broadcasting in Finland has been centralized in the hands of Oy Yleisradio Ab, a joint-stock company, in which more than 90 per cent of the shares is now owned by the State, since 1926. The number of wireless licences issued is 721 000, which means every 5th or 6th inhabitant has a radio receiver. Yleisradio broadcasts 7 500–8 000 hours of program annually. Nearly half is music.

Communications

The Peace Treaty deprived Finland of 850 mi. of railroad, the present length being 3 100 mi. The railroads have, throughout, been built primarily by the State, and the majority of the private railways have gradually reverted to State ownership, private railways at present totalling only 156 mi. The Finnish railway gauge, due to former connections with Russia, differs from the common West European gauge. The war and its consequences resulted in a 20 per cent reduction in rolling stock.

The main importance of the Finnish railways lies in the heavy freight traffic, buses and trucks being their most serious competitors. The emphasis in land communications is still on highways. Due to territorial cessions, the road network was shortened by 4 375 mi. At present, roads in Finland extend over a total length of 20 000 mi., to which must be added 17 500 of "local" road. The total length of navigable inland waters amounts to 2 188 mi. Since the middle of the 19th century one water system after another has been

canalised. Air services are maintained by the Finnish Airlines Company Aero, which used to be state subsidized but is now state-controlled.

Apart from domestic traffic, it maintains services to Stockholm, Copenhagen and Düsseldorf.

The postal and telegraph services are State operated (post offices total 3 800). Two-thirds of the telephone lines are owned by private companies and one-third by the State. Every 13th Finn has a telephone. The annual total of calls amounts to 106 million.

Religion and the Church

Confessionally, Finland is one of the most homogeneous countries in the world. The vast majority of the nation (96 per cent) belongs to the Evangelical Lutheran Church. It is peculiar to religious conditions in Finland that other reformed churches are of very little importance. Free Church members, Methodists and Baptists, total only 10 000. The Roman Catholic Church has 1 200 members, Adventists number 1 600, Israelites 1 500, and Mohammedans 550. Of a different range is the Greek Orthodox Church, with its 70 000 members. About the same figure, 75 000, is shown by the Civil Register.

The supreme body of the Evangelical Lutheran Church in Finland is the Church Assembly, which has jurisdiction over several internal matters of the Church. As regards Canon Law, the Church Assembly has the right of initiative and preparation, but the proposals of the Assembly are submitted for study by and approval of the Parliament and the President of the Republic. The highest executive power in the Church is vested in the Ecclesiastical Administrative Board, established in 1944. For the episcopal administration of Evangelical Lutheran parishes Finland is divided into 6 dioceses, one Swedish-speaking. The present Archbishop is Aleksii Lehtonen.

The Greek-Orthodox Church is also an established church in Finland, and has the same formal relation to the State as the Evangelical Lutheran Church. It has 2 dioceses.

The Civil Register in Finland comprises only those who have no desire to belong to any of the churches. Vital statistics are still kept primarily by the churches or other religious bodies.

Science

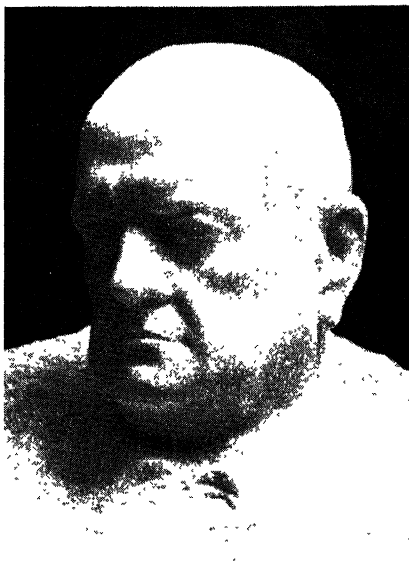
Finland has recently produced several talented researchers whose reputation has spread beyond the country's frontiers. Of them, A. I. Virtanen, member of the Academy of Finland, pioneer in biochemical research in Finland, was awarded the Nobel Prize in Chemistry in 1945.

A special place is held by Finnish forest science, primarily based on the forest type theory developed by A. K. Cajander (died 1943). On the basis of the forest types, over-all surveys of Finnish forest resources and the condition of her forests were carried out under the leadership of Yrjö Ilvessalo, member of the Academy of Finland.

Other members of the academy include Eino Kaila, psychologist and philosopher; Onni Okkenen, art historian; Y. H. Toivonen, Fenno-Ugric philologist; Rolf Nevanlinna, mathematician; and Erik Palmén, meteorologist.

Academy of Finland

A far-reaching cultural measure was taken by the Finnish State in the establishment of the Academy of Finland in 1947. It is an institution established and maintained out of government funds for the promotion of both science and art, and it provides for its members the position of salaried officials. They have no other obligations than the carrying on of creative work in their special branches and the teaching of young scientists and artists who have proved their worth. The Academy of



The portrait in marble of Jean Sibelius is a masterpiece of Waino Aaltonen, member of the Finnish Academy.

Finland has twelve posts, of which four must represent natural sciences, three theoretical sciences, and three the arts, while two are optional. In addition to their salary the members receive an annual grant, and research members have an additional annual grant for the employment of an assistant scientist.

The first members of the Academy of Finland were appointed by the President of the Republic early in 1948.

Literature

The great name in Finnish literature in the middle of the 19th century was that of Johan Ludvig Runeberg (d. 1877), who wrote in Swedish. His most popular work is his book of poems, "Ensign Stål," lauding the exploits of Finnish soldiers in

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the War of 1808-09. Elias Lönnrot (d. 1884) assembled the national epic "Kalevala." Finnish literature began to develop along new lines with Aleksis Kivi (d. 1872), author of the novel "The Seven Brothers." Juhani Aho (d. 1921) must be mentioned for his contribution to the development and refinement of modern Finnish prose writing. The greatest Finnish prose writer since Kivi is F. E. Sillanpää, Nobel Prize winner in 1939, internationally known for his main works "The Maid Silja" and "A Man's Road." The Finnish historical novel has gained a new popularity in "The Egyptian" and "The Adventurer" by Mika Waltari, translated into several languages.

The Nestor among the novelists of today is Ilmari Kianto. Other outstanding prose writers are Maila Talvio, Maria Jotuni (d. 1943), Joel Lehtonen (d. 1934), Helvi Hämäläinen, Kersti Bergroth, Iris Uurto, T. Vaaskivi (d. 1942), Heikki Toppi, Olavi Siipainen, Unto Seppänen, Toivo Pekkanen, Pentti Haanpää, Elvi Sinervo, Martti Merenmaa, and Oiva Paloheimo.

A great Finnish lyric poet was Eino Leino (d. 1926). Another well-known lyricist and translator of lyric poems was Otto Manninen (d. 1950). Uno Kailas, Saima Harmaja, Katri Vala and Kaarlo Sarkia, all of whom died young, at their best are exquisite representatives of modern European poetry. Well-known contemporary poets are V. A. Koskenniemi, member of the Academy of Finland, Aaro Hellaakoski, Lauri Viljanen, Viljo Kajava, Arvi Kivimaa, Elina Vaara, and Yrjö Jylhä.

Finnish literature in the Swedish language, since Runeberg's time, has been vigorous. Arvid Mörne (d. 1946) was the champion of the Swedish speaking population in Finland, social justice, and the independence of the country. Edith Södergran (d. 1923), a brilliant lyricist, opened the way for modernistic trends. Among living authors may be mentioned Hagar Olsson, Elmer Diktonius, Gunnar Björling, Tito Colliander, the brothers Olof

and Rabbe Enckell, and the brothers Harald and Eirik Hornborg, the former a romantic historian.

The war years of 1939-1944 are reflected in a change in the intellectual life of the Finnish people, the character of which is still difficult to define. The appearance of a new literary generation is visible, a generation less exclusive, more open, and richer in color. Opposing ideas clash in a dispute from which literature will no doubt benefit.

Pictorial Arts

The first of the Finnish painters to gain a reputation abroad was Werner Holmberg (d. 1860), a talented landscapist who "wanted to show the world that Finland, too, is capable of developing a school of art of her own." Holmberg died at the age of 30, and it was left to Albert Edelfelt to make Finland known in the metropolis of European art, Paris. Edelfelt (d. 1905) was especially renowned as a portrait painter, but he also painted realistic pictures of Finnish rural life. In the same way as Sibelius, Akseli Gallen-Kallela (d. 1931) based his art on Kalevala imagery. His art constitutes the most profound manifestation of the Finnish national spirit.

After Gallen-Kallela came other the national romantic painters, following the technique of the naturalistic trend of the Parisian '80's. Typical representatives of this school are Eero Järnefelt (d. 1937) and Pekka Halonen (d. 1933), while Juho Rissanen stands out as an example of the creative talents of the uneducated peasantry, and Hugo Simberg (d. 1917) stands alone as a representative of the symbolism of the 'nineties.

Impressionism reached Finland as late as about 1910. The leaders of the Finnish impressionist group, called "Septem," were A. W. Finch (d. 1930) and Magnus Enckell (d. 1925), and certain present-day artists, e.g. Werner Thomé and Mikko Oinonen, continue the refined colorism of Septem. The Finnish expressionist group, the "November group," was also estab-

lished between 1910 and 1920. It was more revolutionary, following Cézanne, van Gogh and the cubists. The leader of this group today is Tyko Sallinen. Among his companions were the great bohemian Jalmari Ruokokoski (d. 1936), the tragic humorist Marcus Collin, the musical painter Alvar Cawén (d. 1935), the watercolorist Juho Mäkelä (d. 1943), the cubist Ragnar Ekelund, and lyrical landscapists and portraitists Uuno Alanko, William Lönnberg (d. 1949) and Eero Nelimarkka.

An eccentric and outstanding painter was Helene Schjerfbeck (d. 1945), one of the pioneers of modern European painting in her ascetic but sublime colorism. Names of more recent times are Ellen Thesleff and Ester Helenius.

A strong French influence is discernible in recent Finnish painting. Gösta Diehl and Erkki Kulovesi, the former and the present presidents of the Finnish Artists' Club, studied for many years in France, and Aarre Heinonen, head of the Finnish Art Academy, studied in Belgium and Paris. Other representatives of this "Finnish-French" school are Atte Laitila, a decorative painter in the manner of Lhote, Olli Miettinen, a landscapist following Cézanne, and Erkki Koponen, a gifted colorist influenced by Matisse.

Two main currents are distinguishable in the efforts of the younger generation—a kind of modern national romanticism and a tendency towards international abstract painting. Outstanding in the first group are Aimo Kanerva, Veikko Vionoja, Yrjö Saارينen, Helmi Kuusi and Tapani Raittila, in the latter Erik Enroth and Helge Dahlman.

The greatest name in art of the period of Finnish Independence is that of the sculptor Wäinö Aaltonen, member of the Academy of Finland. He created the Aleksis Kivi and Paavo Nurmi statues, the symbolic figures of the House of Parliament, and numerous other official monuments. The earlier sculptors include such classicists as Walter Runeberg (d. 1920), such realists as Emil Wikström (d. 1942), and idealists such as Eemil Halonen (d.



Professor Eliel Saarinen, one of the most famous Finnish architects.

1950), Yrjö Liipola, and Felix Nylund (d. 1940). A trend of classic idealism runs throughout recent Finnish sculpture, as can be seen in the works of Gunnar Finne, Lauri Leppänen, Ben Renvall and the most gifted of the younger generation, Aimo Tukiainen. Mikko Hovi and Carl Wilhelms have borrowed from the ideas of the Etruscans and Greeks, while Sakari Tohka and Oskari Jauhainen base their highly developed sculptural styles on the traditions of Finnish sculpture. Jussi Mäntynen has won a great reputation as one of the best animal sculptors in Europe and Hannes Autere has developed rural wood carving into a great art.

Of the Finnish decorative arts, textiles and ceramics reveal the most artistic creative capacity, but recently modern glass of a high standard has caught up to their level. Most talented of

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the glass artists are Gunnel Nyman (d. 1948) and Tapio Wirkkala, both of whom lend a brightness and beauty to their material. Best-known of the textile artists are Laila Karttunen, Dora Jung and Eva Anttila. Ceramic art, in the Arabia Porcelain Factory, is the sphere of Toini Muona, Birger Kaipiainen, Rut Bryk, and Michael Schilkin. In furniture art, names of international fame are Alvar Aalto and Ilmari Tapiovaara. Finally, Paavo Tynell is known as a designer of light fixtures.

Architecture

The products of the earliest period of Finnish architecture are churches and castles, with their mansard roofs, which in their heavy design, suggestive of security, merge into the background of Finland's scenery.

Another great period coincides with the early decades of the 19th century, when the great master of Neoclassicism, Carl Ludvig Engel, moved to Finland to carry out there his comprehensive life's work, the most important part of which is the group of monumental buildings dominating the center of Helsinki.

A third period comes with Finnish architecture of the present and its development since the beginning of this century. It started under the auspices of national romanticism, and its most famous names are Lars Sonck, Armas Lindegren and Eliel Saarinen. However, the romantic trend did not endure, and more realistic views gained more and more support. For instance, Saarinen's main work in Finland, Helsinki Railway Station, is a completely modern work, albeit with German impressions. A strong classic influence, partly striving after purity, partly following the tradition in all the Northern Countries, could be seen between 1910 and 1930. Its most remarkable achievement in Finland is the Parliament Building, designed by Prof. J. S. Sirén. In the 1930's the

trend changed, tending to emphasize more and more the modern views of utilitarianism, again following the trend in Scandinavia and other countries. A representative of this trend, known as functionalism, is Alvar Aalto, whose designs include Paimio Sanatorium and of a number of exhibition pavilions. Erik Bryggman designed the sensitive Cemetery Chapel in Turku, and Y. Lindegren won the gold medal for architecture at the London Olympiad with his works based on sports motifs.

Recent Finnish architecture has been permeated more and more by social thinking. Difficult housing problems occupy the foreground, and increasing attention is paid to social institutions, such as hospitals. Some of them, including those designed by Prof. J. Paatela and U. Ullberg, have aroused interest abroad.

Music

Jean Sibelius is the Grand Old Man of Finnish music; 85 years of age, his production of compositions is immense both in extent and in content. The ancient Finnish Kalevala spirit in particular is interpreted in his work with original genius. Sibelius' main works are his seven symphonies, the famous violin concerto, and the string quartet "Voces Intimae." His incidental music and his solo songs are now the property of the whole world. The greatness of Sibelius' music has grown to be more and more widely appreciated, and he is today generally recognized as one of the most outstanding composers of our time.

Erkki Melartin (d. 1937), Leevi Madetoja (d. 1947), the composer of the Finnish 'national opera' "Pohjalaisia" ("Ostrobothnians"), and Toivo Kuula (d. 1918) are also outstanding orchestral composers. Selim Palmgren, composer of piano music, and Yrjö Kilpinen, member of the Academy of Finland, solo songs, are also worthy of mention. Armas Järne-

felt is known not only as a composer, but also as a successful conductor.

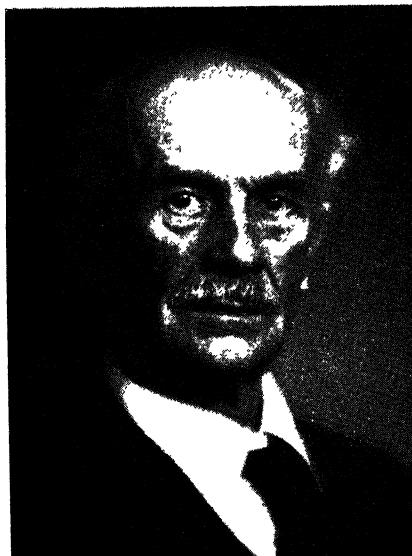
Sibelius' inspiring influence on Finland's younger composers has been very great. Among these younger composers are to be found Väinö Raitio, Aarre Merikanto, Uuno Klami, Sulho Ranta. Among other young composers must also be mentioned Kalervo Tuukkanen, Nils-Eric Fougstedt, Ahti Sonninen, Tauno Pykkänen and Einar Englund.

In recent decades there has been great progress in orchestral art and other types of performing. There are municipal orchestras in Helsinki, Tampere, Turku, and Lahti. In addition, Tampere has its own opera company. Choir singing is on a high level. The male choirs "Suomen Laulu" (Song of Finland), founded and at one time conducted by Heikki Klemetti, "Ylioppilaskunnan Laulajat" (YL, Student Singers), Laulu-Miehet, and the Swedish male choirs MM (Muntra Musikanter) and Akademiska Sångföreningen, have attained success both at home and abroad. A considerable contribution towards the arousing of interest in song and music has been made by the great national Song and Music Festivals, of which the latest was arranged in Helsinki in the summer of 1948.

Dramatic Art

Finnish theaters owe their establishment to the people, i.e., they were started by circles of citizens who wanted a theater. The theater in Finland is also democratic in the sense that a commercial theater run on business lines is unknown. Finnish theatres are educational institutions. They have recently received economic support from the municipalities in which they are situated.

The Finnish Theater, predecessor of the present main theater, the Finnish National Theatre, was established in 1872. Svenska Teatern is a Swedish language theater in Helsinki, and has remarkable traditions that date back to the



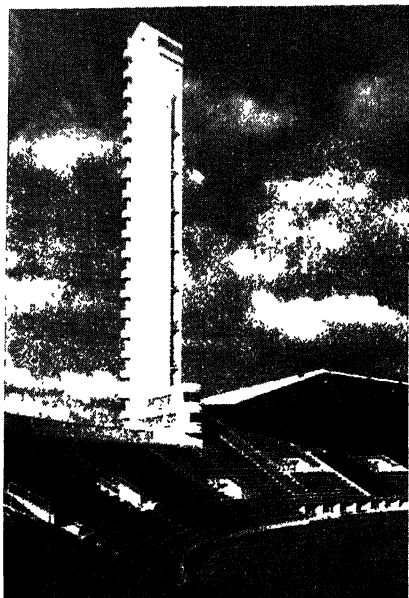
Professor Otto Manninen, well-known poet and a brilliant interpreter of poetry from other countries.

1860's. The Finnish Opera has carried on its activities for some 40 years. At present there are 85 theaters giving regular performances. Of them 34 are established concerns receiving state grants, while the remainder are semi-professional and amateur societies giving regular performances. In addition, there are 5 000 amateur groups working in conjunction with different societies and associations.

Finland and the Olympic Games

The success achieved by Finnish athletes at the Stockholm Olympics in 1912 was an important factor in popularizing sports in every part of the country and among all strata of society. Since Finland

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The tower and main arena of Helsinki Stadion, built for the Olympic Games of 1940, which never took place. Now the Stadion, with its amphitheatre of 70 000 seats, is being prepared for the Olympic Games of 1952.

gained her independence sports have enjoyed official sanction, including substantial subsidies to athletic organizations.

Finland's athletic prowess was maintained in all the Games up to the out-

break of World War II. However, at London in 1948 she did not do as well as might have been expected, primarily because of heavy losses in manpower sustained during the war years. The younger postwar generation was not ready for top-class performance in 1948.

To date the Finns have won 80 Olympic gold medals, 72 silver medals and 76 bronze medals. This success has been restricted to relatively few events: long distance running, the javelin, wrestling, gymnastics, skiing, and skating.

Although the war struck severe blows at Finland's athletic and economic life, Helsinki, having made preparations for the 1940 Olympics, which were never held, was willing to accept the Olympic Games for 1952. This privilege was granted in 1947.

The Helsinki Olympic Stadium, accommodating 70 000 spectators, is a modern establishment. Adjacent to it, within a radius of a few hundred yards, are situated the majority of other sites, including the swimming pool, two indoor arenas, the riding arena, etc. To house foreign competitors the municipality is constructing an Olympic village, the buildings of which will later be used to alleviate the general housing shortage.

The city of Helsinki will find the accommodating of all the visitors a difficult problem. Hotel space is insufficient. However, private homes will open their doors to foreigners, and at least 30 000 people will be provided with lodgings during the Games. Big ocean liners will also serve as floating hotels. A new airport is scheduled to be completed in the spring of 1952 to accommodate increased traffic.

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The Country

Iceland is the third largest island in the Atlantic, only Greenland and Great Britain are larger. Its area is about 40 400 square miles. It is a country of wild and rugged beauty, a land of volcanoes and glaciers, of somewhat rough weather and strong colors. It is a mountainous country, and the highest peaks are covered with snow and ice, for the snowline lies at about 3 600 feet in southern Iceland. A mountain massif on the south coast is covered with the greatest snow cap in Europe. It is Vatnajökull and covers almost 8 per cent of the area of Iceland. A great many volcanoes, active and extinct, are to be found all over the country and in the last 1 000 years over one hundred eruptions have been observed. The best known volcano is *Mount Hekla* (4 823 ft.) which erupted in 1947-48 for the twenty-third time in recorded history.

Closely related to volcanic activity is the abundant thermal activity. Of the erupting hot springs the *Great Geysir* is best known because its very name has in many languages become a synonym for a hot spring. Actually only few of the springs are of the erupting type, breaking forth at more or less regular intervals with fierce outbursts of hot water and steam. The most common springs yield a regular flow of water at an even level of temperature, and such springs have been employed for washing and bathing since the earliest times. Excavations of thirteenth century farms show how thermal water was conducted into the houses for heating, and a bathing pool made by Snorri Sturluson, the famous thirteenth century writer, is still used at Reykholt in the Borgarfjord district.

Because of the Gulf Stream the climate of Iceland is very equable, and 15-16° F. higher than normal for the latitude. In Reykjavik the mean temperature is 41.6° F. for the whole year, 32.6° F. for January and 53.0° F. for July. Weather is

rather unstable and the climate is wet, especially in the south, which is open to warm winds from the Atlantic. The annual precipitation in Reykjavik is 35 in. and in the north about 16 in.

During this century the climate has been steadily becoming milder. Similar or better climate seems to have been prevalent at the time of colonization, about 870 A.D., when most of the country was covered with woods, principally birch. The woods were later destroyed, partly by nature but mostly by human hands, and now only a few scattered remnants of the woods remain. Owing to the isolation of the country the flora is much poorer than necessary from the climatic point of view and a cautious import of foreign seeds for acclimatization has begun.

The People

Iceland is by far the most sparsely populated country in Europe, with about 138 500 inhabitants or about 3.5 persons per square mile. It was colonized from Norway and by Norse inhabitants from the British Isles at the end of the ninth and beginning of the tenth century. There was some Celtic admixture, which probably accounts for a certain difference in mental outlook which early became apparent between Icelanders and their Norwegian cousins. The population has been estimated at 70-80 000 at the end of the eleventh century, but in later centuries it was vastly reduced by the disasters and plagues that harassed Europe. The Black Death ravaged the country in 1402-04 and is supposed to have swept away no less than two-thirds of the population.

The first census was taken in 1703, revealing a population of about 50 000. Hardship and famine reduced the number of inhabitants still further in the eighteenth century, and in 1785 the popula-

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tion was about 38 000. In 1880 it had risen to about 72 000, but between 1880 and 1890 over 6 000 people emigrated to America, and the total number of inhabitants suffered somewhat. The following table shows the increase since then:

1890	70 927
1901	78 740
1910	85 183
1920	94 690
1930	108 861
1940	121 474
1945	130 356
1948	138 502

The annual increase in population is about 15 per thousand (births 25 and deaths 10 per thousand). At present about 30 per cent are under 15 years, 9 per cent between 15 and 19, 53 per cent between 20 and 64 and 8 per cent over 65. The present marital status is approximately as follows (age more than 20 years):

	Males	Females
	%	%
Unmarried	40.5	35.8
Married	52.1	49.5
Widowed	5.7	12.9
Divorced	1.7	1.8

The population consists exclusively of Icelanders, the small number of immigrants having been completely absorbed. As a result of emigration to America in the last decades of the nineteenth and the first years of twentieth century, about 50 000 people of Icelandic origin live in North America, mostly in Manitoba and Saskatchewan, Canada.

Since the beginning of this century there has been a steady decline in the population of rural districts and an increase in towns. Up to the end of the nineteenth century more than 90 per cent of the people lived in the country, where only about 30 per cent are living at present. The population of towns of more than 1 000 inhabitants has increased from about 10 per cent in 1900 to almost 60 per cent, whereas the population of villages of 300–1 000 people has remained at about 10 per cent. Besides Reykjavik

(about 58 000) the following towns have over 3 000 inhabitants: Akureyri (6 000), Hafnarfjörður (4 500), Vestmannaeyjar (3 600), Ísafjörður (3 000) and Siglufjörður (3 000).

The population is divided according to occupation groups approximately as follows:

	%
Farming	30
Industries	22
Fisheries	16
Commerce and communications	16
Personal service	5
Public service	6
Unoccupied	5

Agriculture

Iceland's agriculture is mainly concerned with producing food for home consumption. At the beginning of the century about 73 per cent of the people lived from farming, whereas agriculture now employs only about 30 per cent but produces more, due to the introduction of modern machinery and improved methods. The principal crop is hay, but potatoes, turnips and oats are also grown. Iceland is by nature a grazing country, with a cover of very good grass up to altitudes of about 2 600 ft. and therefore well suited for dairy farming, with sheep raising in the highlands.

There are 439 000 sheep, about 43 000 cattle, 44 000 horses, 85 000 poultry, and 5 000 furred animals (mainly mink and foxes). The stock of horses may be expected to decrease in the near future because they are not used to such an extent as when they were the sole means of transport. Most farmers now use tractors and small, powerful cars.

All the beef and most of the mutton produced is consumed in the country, small quantities of surplus mutton being exported. Iceland is self-sufficient in meat, milk, and eggs, but some butter is usually imported. Potatoes are also imported some years.

Exports of farm produce are therefore now mainly confined to wool, salted



Sveinn Björnsson, President of the Republic since 1944.

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sheepskins, horses, sheepcastings and small amounts of mutton.

Gardening was increasing greatly before the war, but due to the dislocation of the labor market and lack of suitable seed potatoes and seeds, it suffered a setback in the war.

Hothouses, the first of which were built in 1924, covered an area of 80 000 square yards in 1949. They use natural hot water and the produce is principally tomatoes, cucumbers and grapes, but also flowers.

Fishing

Although agriculture employs more people than the fisheries, the latter are more important in the national economy, because more than 90 per cent of the exports of the country are derived from fish and fish products. With the aid of modern equipment and efficient working methods the Icelandic fisherman lands an average of 70 tons of fish a year or about seven times as much as the average fisherman of the second ranking nation. Even in terms of gross tonnage of fish Iceland is very high on the list, although few fishing nations employ fewer fishermen. In 1905 the fishing fleet was about 8 000 gross reg. tons. It is now over 55 000 gr. reg. tons, and by far the largest part of the fleet is less than five years old, the result of a program of reconstruction and considerable shipping losses during the war. During and after the war more than a hundred motor fishing boats were built, mostly in Swedish and Icelandic shipyards, and immediately after the war British shipyards were commissioned to build 32 modern trawlers. Recently a series of 10 new trawlers has been begun. No expense has been spared to make these new craft as efficient and as comfortable for their crews as possible, and Icelandic and British draftsmen have pooled all their skill in perfecting a new trawler design. Most of the catch of the trawler fleet is marketed fresh in England and Germany. The motor-boat fleet is

engaged in catching fish for processing in quick-freezing plants, of which more than 70 have been built all around the coast, with a total freezing capacity of about 700 tons a day. The salting and drying of cod was almost discontinued during the war, when the Mediterranean markets were cut off. It has now been resumed, and salt fish is again exported to Spain and Italy. From the beginning of this century the annual catches of cod and white fish have increased from about 33 000 tons a year to more than 275 000 tons a year. The principal by-products are fishmeal, codliver oil and roes.

Herring fishing increased rapidly between 1930 and 1945 following the construction of efficient herring processing factories, where the catch was turned into herring oil and meal. But since 1945 the main herring season, the summer fishing off the north coast, has failed badly. Salted and pickled herring are also an important factor in Iceland's exports, and a portion of the herring is frozen both for export and for bait.

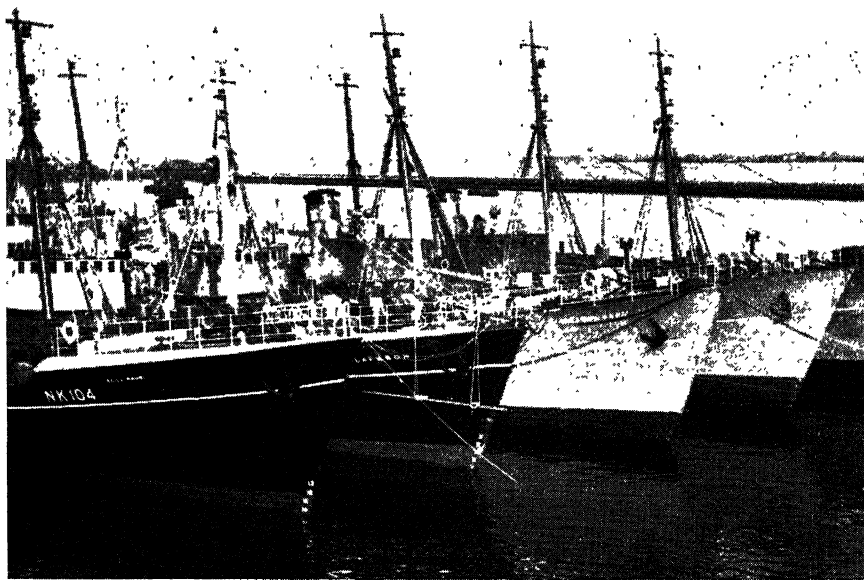
Overfishing in Icelandic waters has been causing grave concern for a number of years, not only because of the importance of the fisheries to Icelanders but also because the Icelandic bays and banks are the spawning grounds and nursery area from which all the fisheries of the North Atlantic profit.

After many vain attempts to bring about an agreement to preserve the breeding grounds, Iceland in 1949 decided to extend its territorial waters to 4 miles and delivered notice of the termination of the convention for regulation of fisheries around Iceland concluded on June 24, 1901.

All fishing by trawl is forbidden in the area, both to Icelanders and foreigners.

Whaling has begun again in Iceland and in 1949 324 whales were landed by the Icelandic Whaling Company. They yielded 2 000 tons of oil.

The salmon rivers of Iceland have been regarded as among the best in the world, and the world record for salmon



The modern trawlers of Iceland are built to withstand the severe weather of the North Atlantic.

fishing was set in an Icelandic river. Iceland is probably the only country which forbids the taking of salmon in salt water and river estuaries in order to give sportsmen a chance to catch it. Trout are abundant in most lakes. In 1937 the catch of salmon was 200 000 lbs., but has been diminishing every year. In 1948 it was 65 400 lbs. The trout catch, 827 200 lbs. in 1937, was 570 000 lbs. in 1948.

Natural Resources

The total supply of near-boiling water is estimated at more than 520 gal. per second. Only a quarter of this supply has been utilized, mostly for growing vegetables, flowers and fruit. The town of Reykjavik, however, utilizes more than 75 gal. per second, which is piped into

the buildings for heating and washing. The final part of the scheme is now being completed, bringing the total supply to about 120 gal. per second. The water is almost boiling (205–208° F) at the source and only 6–8° are lost in the main, 10-mile pipeline and the network of pipes in town (more than 25 miles).

The total available water power of Iceland corresponds to about 4 million horsepower, and only a fraction has so far been utilized. Yet electricity has been brought within the reach of more than 70 per cent of the population. More than three-fourths of the current is generated by water power, the remainder mostly by diesel motors. All the biggest power stations and supply lines are municipally and state owned and subject to government supervision. Two major extensions now under construction, one of the power

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supply of Reykjavik, the other of Akureyri, will, when completed in about 2 or 3 years, more than double the present output of electric power.

Plans for generating electricity by drilling for steam power are taking shape and it is hoped that the engineers will solve that problem as successfully as the hot water schemes, which are being introduced in many small towns on the basis of experience in Reykjavik. A small experimental plant is already in operation.

In the summer of 1950 the biggest source of steam so far discovered was tapped. It is estimated to be able to give 5 000 horsepower when it has been harnessed and yield enough electricity for the needs of Hafnarfjörður, the nearest town.

Industries

Industries have developed during the last two decades. About 50 years ago they provided a living for only about 3 per cent of the population, but now they employ about 22 per cent and have become the second greatest occupational group. The greatest number of people in industry work at production of food-stuffs, mainly sea food as in the quick freezing plants and canneries. Other are employed in woollen mills, net factories, shipyards, machine shops, and factories catering to the building trades and textile industries.

Shipping

Before the war Iceland's shipping fleet consisted of 72 steamers and motorships of over 100 tons, totalling 31 000 gross register tons, besides a number of smaller craft. Most of these ships were engaged in fishing. At the end of the war the total tonnage had been brought down to 26 000 tons, notwithstanding purchases. Since then the number of ships over 100 tons has risen to 129, with a gross reg. tonnage of 65 000 tons. Most important of the

new ships are the new freighters of the Icelandic Steamship Company, built in Denmark, and the new trawlers built in England. A great number of small fishing boats have also been built in Sweden, during and after the war. Besides the Icelandic Steamship Company, which is the largest, a few smaller shipping companies have been formed. Iceland is now almost self sufficient in shipping. Much of the coastal shipping is in the hands of the Government Shipping Agency, which owns several steamers and motor ships.

Harbor installations have to keep pace with the general increase in size of ships, and there is continuous work going on both on new projects and extension of older ones. The first lighthouse was built in 1878 and the next three in 1897. Since then a net of lighthouses has been constructed all along the coasts, and radio beacons have been recently placed in operation. The state maintains almost 100 lighthouses and some 50 are maintained by municipalities.

Foreign Trade

The foreign trade of Iceland is higher per capita than that of any other country. The natural resources are limited and industries, except in connection with fisheries, are little developed. This situation makes large and varied imports necessary.

Between 90 and 95 per cent (1948, 93.5; 1949, 98 per cent) of the exports consist of fish and fishery products. The catches of fish are apt to vary from year to year, and have a strong effect on the volume of exports.

In recent years the fluctuations in catches have been particularly marked in herring fishing, while the catches of demersal fish—the other main component of the Icelandic fisheries—have been more stable. The capacity of herring processing plants has been increased from 6 115 metric tons of herring per day in 1945 to 10 564 tons at the end of 1948. The main seasons have failed for five consecutive

summers, but in the winter of 1946-47 and 1947-48 there were good off-season herring catches in Faxa Bay. As a result new plants were built near the Faxa Bay grounds in order to take care of the next season's catch, but the winter herring seasons of 1948-49 and 1949-50 failed completely.

The entire production of herring oil and herring meal is exported, except for some 7 000 tons of meal used as fodder domestically every year.

Before the war one of the leading export articles was cured herring. Iceland's exports amounted then to about 270 000 barrels annually. The war disrupted this production, but it has been resumed since, although not on the same scale as in prewar years.

Iceland's exports of demersal fish have undergone great changes since before the war. Salt fish was the largest export article and it was mainly sold to Mediterranean countries. These markets were cut off as a result of the war, but instead Icelandic fishing vessels found a market for their catches in the United Kingdom. All through the war the United Kingdom was practically the sole consumer of the entire Icelandic fish production, consisting mainly of fresh fish on ice and quick-frozen fish fillets. The average annual export to the United Kingdom was around 126 000 tons of iced fish and 13 000 tons of frozen fish in the war years.

After the war new markets had to be found for the quick-frozen fillets, as the United Kingdom reduced its purchases. In 1946 and 1947 Soviet Russia took the place of the United Kingdom as the largest customer of frozen fillets, and markets were also found in other continental countries. In 1948 and '49 the United Kingdom again became the largest customer, while Soviet Russia discontinued its purchases.

The normal production of frozen fillets has increased from about 22 000 tons in 1945 to about 30 000 tons in 1949. Most of the frozen fillets have been sold to



The river Hvitá falls in three steps down into a canyon, forming the waterfall Gullfoss.

Europe (Great Britain, France, Holland, Poland, Czechoslovakia, etc.).

Exports of fresh fish on ice have continued after the war and increased considerably during 1948 and 1949, when a number of new ocean trawlers was taken into use.

As British fishing vessels have been increasing their landings the market in the United Kingdom has been on the wane, particularly during the summer months. It was therefore extremely important that the German fish market was reopened to Icelandic vessels in 1948. In 1949 Western Germany received more iced fish from Iceland than did the United Kingdom.

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It is difficult to forecast future markets. Icelandic fisheries have during the last ten years had to adjust themselves to very changeable market conditions. The changes that have taken place are shown in the following table of percentage division among different methods of preparation of demersal fish on the basis of export value:

	1935-39	1944	1948	1949
	%	%	%	%
Salt fish	71.0	1.2	16.3	17.7
Fresh fish on ice	28.0	70.4	47.8	36.0
Quick-frozen fish	—	27.5	33.7	45.5
Stock fish	1.0	0.5	—	0.1
Canned fish	—	0.4	2.2	0.7
Total	100	100	100	100

Wet-salted fish has been exported since the war to Italy, Portugal and Greece, but the production of dried cod has been very limited.

As a result of the increased fish catches of the new fishing vessels and the construction of quick-freezing plants and fish meal factories production of cod liver oil and fish meal has increased considerably. There have been no marketing difficulties for these products.

The European countries forming the Organization of European Economic Co-operation (OEEC) are the traditional markets for Iceland's exports, receiving 80 per cent in 1938. In 1948 exports to the participating countries were 75.6 per cent and in 1949 more than 82 per cent. Most important of these are Great Britain, Germany, Holland, Italy, France and the Scandinavian Countries. Other important customers in Europe are Czechoslovakia, Poland and Finland. Exports in 1948-49 to the United States were 6-7 per cent of the total.

The average total value of imports and exports before the war was about 119 million Icelandic crowns (króna) a year (imports 56 and exports 63 million). During the war the average total value rose to about 440 millions (imports and exports about equal). For the last three years the figures are as follows (in million kr.):

	Imports c. i. f.	Exports f. o. b.
1947	519	290
1948	457	396
1949	424	289

The great surplus of imports over exports in the years after the war has been offset with reserves abroad accumulated during the war, mainly arising from the expenditures of the Allied forces during the war. About half of these reserves, which amounted to almost 600 million kr., were set aside at the end of the war for the purchase of capital goods, principally new fishing vessels, machinery and building materials. In 1948-49 Iceland received payments from the U.S. Economic Cooperation Administration (Marshall Aid) in the amount of 8.3 million dollars for the purchase in America of capital goods, cereals, fertilizers and oils, and in 1949-50 the corresponding amount recommended by the O.E.E.C. for Iceland was 7 million dollars. ECA aid has alleviated the difficulties which otherwise would have followed the setbacks in the herring industry, normally supplying 25-30 per cent of the total export value, and enabled Iceland to continue its postwar developmental program in spite of adverse conditions.

Besides capital goods, such as ships, building materials, steel and machinery, Iceland must import a variety of other goods (coals, cereals, fertilizers, textiles, household goods, etc.) and increasing quantities of liquid fuel and lubricants, a result of the mechanization of agriculture and industry. Besides the investment connected with increased production, housing construction demands much capital and import of building materials. In 1947 it was found necessary to subject all investment to official control, and an Economic Board now controls all building activities as well as the utilization of foreign currency for imports. There is considerable inflation in Iceland and the demand for imported goods cannot be satisfied.

Great Britain is traditionally Iceland's



Reykjavik in the winter's first snow, which has settled in mountains more than 3 000 feet high.

largest supplier of imported goods. In 1949 these imports amounted to about 114 million crowns out of a total of 424 million, or more than 25 per cent. During the war, however, the greatest part of imports came from the United States and Canada, and since the war an adverse trade balance has developed with the dollar area. The dollar deficit has largely been offset through ECA aid. In 1949 dollar imports were 81.2 million crowns or more than 19 per cent of the total. Before the war Germany was second as supplier of commodities (about 20-23 per cent) and the Scandinavian countries came next (8-14 per cent each), but their importance has dwindled much since the war.

The principal groups of imported commodities are fuel and lubricants, metals

and machinery, textiles and clothing, lumber and paper, chemicals, foodstuffs and tobacco. The approximate ratio by stage of production is:

Raw materials	12.5 %
Semi-manufactured goods	30
Manufactured goods	57.5

The system of bilateral trade has been very difficult for Icelanders, who are greatly interested in international co-operation for the liberalization of trade and convertability of foreign currencies.

In March, 1950, the exchange value of the króna was reduced in the hope of being able to fight inflation and bring prices to the same levels as in neighboring countries. The U. S. dollar is now worth kr. 16.32 and the pound sterling kr. 45.70.

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Constitution

Iceland is one of the oldest independent states of Europe, for its Althing (parliament) was established in the year 930. It is now regarded as the oldest parliament in the world. In 1262 it made a treaty with the king of Norway to pay him taxes in return for certain promises, and when all the Scandinavian countries were united under the Danish king, in the year 1382, Iceland also accepted him. Until 1944 Iceland was in a personal union with Denmark. On the 17th of June, 1944, the Republic was re-established at Thingvellir, where the old parliament had met for nearly 900 years, in the presence of special ambassadors from the Scandinavian countries and the Allied Powers.

The President has functions similar to kings who reign, but do not rule. His term of office is 4 years, but the present president, Sveinn Björnsson, has twice been elected without opposition.

Human Rights

The constitution has since 1874 guaranteed all human rights specified in the United Nations Declaration on Human Rights.

The Cabinet

The cabinet is led by the Prime Minister who forms the Government, and the ministers have a seat in the Althing by virtue of their office, with the right to vote only if they are members. Four to six ministers usually divide between themselves the portfolios of Justice, Health and Ecclesiastic Affairs, Foreign Affairs, Finance, Commerce, Trade, Communications, Education, and Social Affairs.

The present cabinet is formed by a coalition of the Progressives and Conservatives and took over in March 1950.

The prime minister S. Steinthorsson (Progressive) is also minister for Social

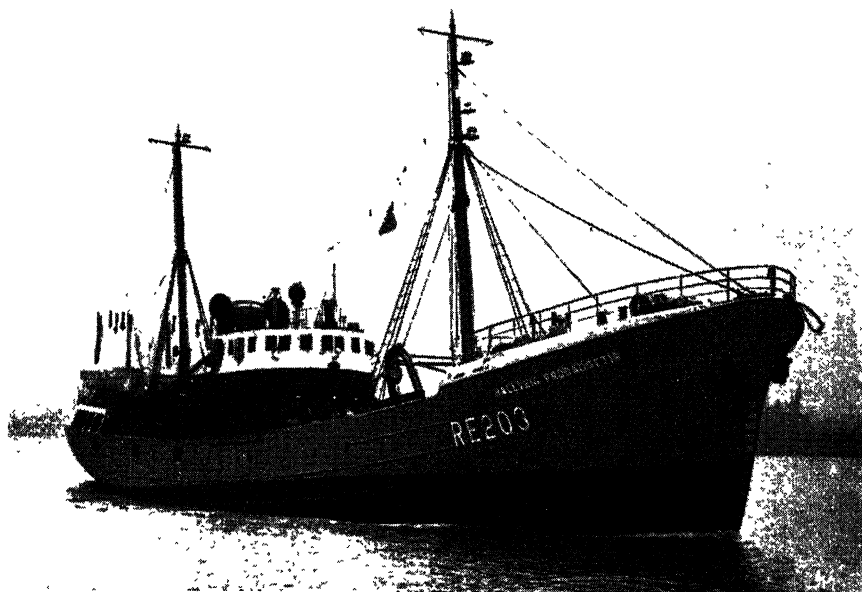
Affairs. The other members are Bjarni Benediktsson (Conservative-Foreign Affairs and Justice), Björn Ólafsson (Cons.-Trade and Education), Eysteinn Jónsson (Prog.-Finance), Hermann Jónasson (Prog.-Agriculture), and Ólafur Thors (Cons.-Fisheries).

The Parliament

The Althing consists of up to 52 members elected for four years. Forty-one members are returned by 28 constituencies and a maximum number of eleven seats is allotted to the parties which are proportionally not fully represented. Suffrage is universal for Icelandic subjects more than 21 years old. The ballot is secret. The members of the Althing take an oath to uphold the constitution, receive a moderate remuneration and are specially protected by law. The Althing is divided into two houses. At its first meeting after a general election the United Althing elects one third of its members to the Upper House. All bills are given three readings in both houses except the Finance Bill, which is subject to three readings in the United Althing. Each house elects standing committees of its members for all major subjects of legislation. The Foreign Affairs committee and a few other standing committees are elected by the United Althing. The work of the Althing has vastly increased in later years with the increase in government control of the national economy.

Finance

The treasury depends for revenue on taxes, customs and excise duties, and certain government monopolies. The main groups of expenditures are for administration and foreign affairs, justice and police, public health and social welfare, industrial affairs (power supply, experiments, research), communications, church and education, pensions and allowances, and interest on government loans. More than two-thirds of the taxes are collected



One of the new trawlers built to replace the vessels lost in the war, when Iceland lost one third of its tonnage.

in the form of income and property taxes. Others include the real estate tax, shipping tax, inheritance duty, restaurant tax, and tax on motor vehicles. The *ad valorem* duty is the most important source of customs revenue, and the Wines and Spirits and Tobacco Monopolies are the most important sources of monopoly income. With the increasing demands on the Treasury arising out of new social legislation and, lately, by reason of special grants to important basic industries, such as to the fishing industry to meet with rising wage costs, it has become very difficult to balance the budget. The short-term debt of the Treasury is, consequently, rather high for the time being.

The finance bill laid before the Althing in 1950 estimated revenues in 1951 at

287.4 million kr. and expenditures at 246.3 million kr.

Townships and municipalities rely for their revenue on the town and parish rates, levied in a way similar to the income and property taxes. Some of their revenue comes from municipal enterprises, such as waterworks (and hot water systems), gas works, electric power stations, etc. The most important items of expenditure are social insurance and poor relief, administration and police, education, communications, and sanitation.

Foreign Affairs

As foreign affairs were carried on in the name of the king or sovereign, the king of Iceland and Denmark, as his Icelandic

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title was, had his ministers abroad for both countries and some Icelanders were employed in the joint foreign service.

Iceland had, however, one legation in Copenhagen and Denmark one in Reykjavik that were not joint.

As Iceland's interest in world trade grew, it had to send out trade delegations to carry on commercial negotiations on an ever increasing scale, as more countries had to leave the path of free trade.

On the tenth of April 1940, when Germany assaulted Denmark, Icelanders had to take over their foreign service, for the Danish Foreign Ministry was under undue influence and would not be able to reach its envoys in the Allied countries where Iceland's interests lay. Iceland created its foreign service the same night and soon opened legations in London, Washington and Stockholm. Iceland has now accredited ministers in the United States and Canada and in practically all European countries but as a rule one minister is accredited in several countries.

The foreign service also includes some consulates general and a number of consuls and vice-consuls.

Iceland is a member of the United Nations and a number of other international organizations.

Iceland was invited to join the Council of Europe in 1949. The question was laid before the Althing in the following year and the invitation was accepted.

Foreign Policy

In 1918 Iceland declared its perpetual neutrality, but neutrality declarations seem to have diminished in effectiveness since then. Though Iceland was neutral during the last war, one third of her tonnage and 272 men were lost because of acts of war, chiefly through torpedoing by German submarines. Icelandic casualties were more than 2 per thousand inhabitants, which was more than was lost by many of the belligerents.

On May 10, 1940, the British invaded

Iceland. They never occupied it, however, for they never interfered in its government or administration. When they were hard pressed elsewhere, they planned a partial or complete withdrawal of their forces. Iceland therefore made a treaty with the strongest neutral power in the world, the United States of America, to give it military protection, which was signed on July 7, 1941. At the end of hostilities the American troops were withdrawn.

As Icelanders were wholeheartedly with the Allies during the war, they have been in no doubt about their sympathies in the "Cold War" since the Germans were vanquished.

This was the central problem of Icelandic politics during 1949. In February the Progressive Party general meeting passed a resolution recommending friendly co-operation with all foreign states, especially the Scandinavian and the Anglo-Saxon countries, and all international collaboration for the maintenance of peace and democracy. Yet no military bases should be granted except in case of imminent attack or aggression.

When Iceland was invited to join the North Atlantic Pact, the Foreign Minister and two other cabinet members flew to Washington to study it and make Iceland's special circumstances clear. On March 22 they returned to Iceland and published a statement on the proposed pact. A few days later the central committee of the Social-Democratic Party decided in favor of Iceland's participation. On March 30 the motion of the Government to join the North Atlantic Pact was passed in the Althing by a vote of 37 to 9, with 6 abstentions. The opposing votes come from the Communists who, as elsewhere, carried on a virulent campaign of opposition to the pact.

Justice

The country is divided into 26 jurisdictions (10 towns and 16 rural districts)

with local judges, who also collect treasury revenue and preside over special courts. These are sometimes with lay judges, such as the commercial and maritime courts. The Supreme Court, with five justices, is the only court of appeal. But before a civil lawsuit can be brought into a district court it must as a rule be referred to a board of conciliation for mediation. The board may also rule on claims.

Political Parties

There are four political parties in Iceland: the Independence Party, the Progressive Party, the Labor (Social-Democratic) Party and the United Socialist Party, an amalgamation of Communists and left-wing socialists. The Independence Party (sometimes called the Conservatives) is the largest party, with about 40 per cent of the popular vote and supported by both urban and rural voters. The Progressives derive their strength mainly from rural constituencies and have about 25 per cent of the votes. Of the Socialist parties the United Socialists have lately become the stronger, with about 20 per cent. At present the parties have the following number of seats in the Althing (previous strength in brackets):

Independence Party	19 (19)
Progressive Party	17 (14)
United Socialists	9 (10)
Social-Democrats	7 (9)
Total	52 (52)

Social Conditions

In 1916 when the Federation of Trade Unions was formed there were but few unions in Iceland. The Printers' Union had been formed in 1897 and the Reykjavik Workmen's Union in 1906. The Trade Union Federation now comprises more than 120 unions all over the country with a total of more than 22 000 members. The Employers' Association was not formed until 1934, although a few employers' unions had been established



Iceland is a land of grass and flowers, but is practically without trees.

earlier. The present membership is more than 300 (individuals and unions). Government mediation in labor disputes was introduced in 1925 and has, on the whole, been successful. Labor disputes are governed by a law of 1938, in its main provisions very similar to corresponding legislation in other Scandinavian countries. Public servants are not allowed to strike. They are organized in the Federation of State and Municipal Employees. Many aspects of work and working conditions are dealt with in law, others are subject to provisions in general agreements between workmen and employers. Holidays of a minimum of two weeks a year are statutory and in the case of seasonal workers employers must add 4 per cent to their wages in the form of special stamps, cashed by the post office once a year but not redeemable in the

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meantime. There is also legislation covering child welfare, inspection of factories and machinery, and safety practices at sea.

Price control has been effective since 1938, and since 1939 all real wages are subject to increases corresponding to rises in the cost of living index, which was fixed at 100 for the period January-March 1939. The present index is about 340. But real wages have also risen sharply since 1939 and the general standard of wages is now much higher. Rents in older buildings are regulated by a rent index now at 150, but rents in new buildings are much higher because of an almost five-fold increase in building costs since 1939.

Poor relief is regulated by the Maintenance Law of 1947, but since the earliest times the poor have been comparatively well looked after, in the beginning by rural district boards and by means of tithes, later by the municipalities. Modern social insurance has to a great extent taken the place of poor relief, as provided for in the laws of 1936, thoroughly revised in 1947. The Social Institute was created in 1936 and has steadily been increasing its activities. It now administers old age insurance, pension insurance, accident and disability insurance, sickness insurance, unemployment insurance, and family insurance.

Health

Up to the present time tuberculosis was the most common fatal disease. In 1926-30 it was the cause of 21.7 deaths for every 10 000 inhabitants. In 1936-40 the rate had been brought down to 10.4 and in 1946 it had fallen to 6.7. This is due to seeking out patients before the sickness is apparent, by X-raying whole communities.

Since then this figure has been further reduced. Iceland was the first country in the world to X-ray the whole population in order to discover tuberculosis in the early stages.

Iceland has also one of the lowest infant mortality figures in the world.

The country is divided up in districts, each with a resident doctor paid by the government. There is a trend toward providing each doctor's residence with a small hospital, but in addition to these local hospitals the principal towns have hospitals with resident specialists. The supply of hospital beds, however, is not yet quite adequate.

Now the chief causes of death are: senility, cancer and pneumonia. Accidents, principally drowning at sea, are also important.

Education

Compulsory education for children of 10-14 years of age was introduced in 1907. It has been gradually extended to cover the ages from 7 to 16. In the higher grades the pupils may choose between various lines: science, business, crafts, engineering, home economics, etc., and admission to the University may be attained by 3 or 4 years of college preparatory work after the compulsory schooling is completed. Over 600 students attend the University of Iceland and many study at foreign universities. The University awards degrees in divinity, medicine, law and economics, philology (Icelandic and various foreign languages), philosophy, history, and engineering.

Connected with the University are the Scientific Research Institute, the state Hospitals and their research laboratories, the National Museum, and the Museum of Natural History. A Laboratory for Research into Animal Diseases was recently opened, its buildings and equipment financed partly by the Rockefeller Foundation.

The Literary Society, established in 1816, is the oldest of the cultural and scientific societies, and its periodical "Skírnir" is now the oldest in Scandinavia. The Patriotic Society was founded in 1869 and the Archeological Society in 1879. The Natural History Society was



The Roman-Catholic church in Reykjavik.

founded in 1889 and the Science Society was formed in 1918. Among other societies concerned with the publication of books are the Early Icelandic Text Society and three book clubs.

Communications & Radio

The Government Post Office and the Directorate of Telegraphs and Telephones have been under joint management for almost twenty years. It has been necessary to invest considerable capital in telephone lines and cables all over the country. Iceland is connected with Scotland by submarine cable, which was laid by the Great Northern Telegraph Company in 1906. In 1918 the first overseas wireless station was opened, and since 1935 there has been wireless telephone

service to the Continent, England and America.

The Icelandic State Broadcasting Service was opened in 1930. The expenses are defrayed by a license tax of 100 crowns a year for every receiving set, and by the proceeds of sales of receiving sets, on which the government has a monopoly. The government appoints a manager and the Althing (parliament) elects a program board of five members after each general election. The Radio operates a 100 kw. broadcasting station at Reykjavik and a smaller relay station on the east coast. The regular programs are of 6-7 hours weekdays and 9 hours Sundays. The program is similar to the programs of other countries, but has much more teaching of languages. This helps those who wish to tune in to foreign

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programs, which are extensively listened to, and the daily papers publish the program schedules from 8 neighboring countries. Practically every home has a receiving set and most of these have the short wavelengths which allow listeners to hear stations all over the world. There are shortwave broadcasts on Sundays at 16:15 G.M.T. for Icelanders abroad, on wavelength 24.65.

Roads & Bridges

Large sums have to be spent every year on roads and bridges to facilitate transport and travel over the long distances of this sparsely inhabited country. Very little work was done in this field before this century, but since then government expenditures have steadily risen from half a million crowns a year to more than twenty million a year. No railway was ever constructed in Iceland, and whereas formerly all transport was by horse it is now almost exclusively by motor vehicles. The main roads total about 4 000 miles in length, are 12-26 feet wide, and mostly of unscreened gravel. The several hundred bridges are mostly of reinforced concrete. There are 13 motor vehicles per 100 inhabitants, more than in any other European country.

Aviation

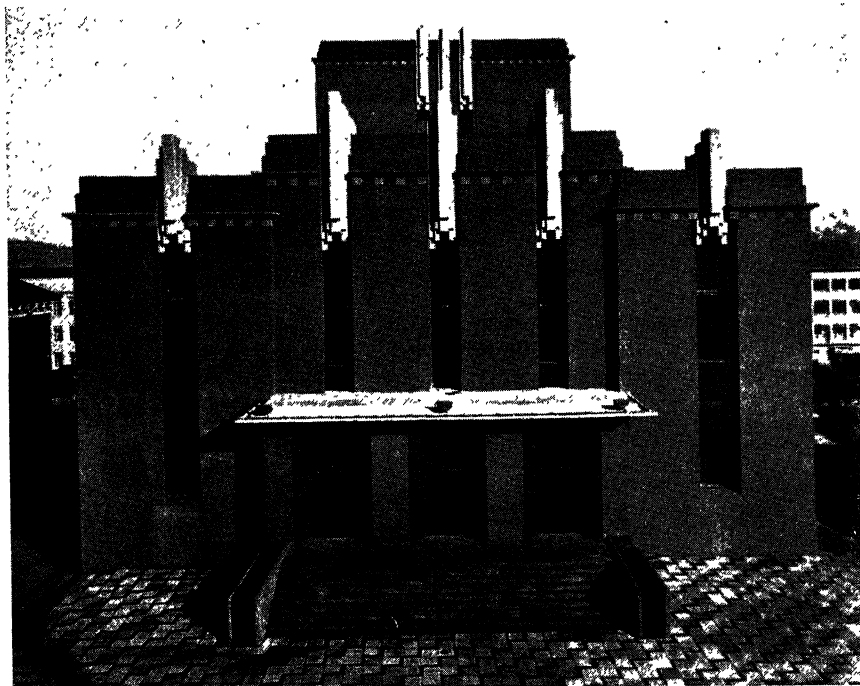
There are two international airports, at Reykjavik and at Keflavik, about 30 miles from Reykjavik. The Reykjavik airport also accomodates seaplanes. Large facilities for air service maintained by the Government Aviation Office are at the disposal of domestic and international aviation, financed in part by the International Civil Aviation Organization. Two Icelandic air companies own a fleet of 22 aircraft of which three Skymasters (DC-4's) are engaged in international air service. There is regular air service to most parts of the country and to the neighboring countries.

The Press

The first newspaper, a weekly, appeared in 1848. The first daily paper was issued in 1896 but was not of long duration. The oldest daily *Visir* (Independence Party) appeared in 1911, followed by *Morgunbladid*, another Independence Party organ and the biggest newspaper in Iceland, in 1913. The other political parties are each supported by a Reykjavik daily paper: the Labor Party by *Althyðubladid*, the United Socialist Party by *Thjodviljinn*, and the Progressive Party by *Timinn*. Besides these, several weeklies are published in most of the towns, usually in support of a political party. A substantial number of other periodical publications appear regularly.

Religion

Although the Evangelical Lutheran Church is the State Church and as such is protected in the constitution, there is full religious liberty. Those who so desire may pay their church assessments to any religious group, or if they do not belong to any confession, they may pay to the treasury like everybody else, with the money accruing to the University. The total number of dissenters is less than 2.5 per cent of the population. About two-thirds of these are non-church members and about one-third belong to various Christian confessions (Roman Catholic, Adventist, etc.). About 10 000 persons belong to various free Lutheran congregations, not affiliated with the established church but co-operating with the church in all religious matters and employing pastors consecrated by the bishop. Iceland is a bishopric with one bishop and two honorary vice-bishops. There are more than 100 pastors in about 280 parishes, all of whom have taken their theological degree at the University of Iceland or the University of Copenhagen. A pastor is usually elected by the congregation before being appointed by the Ministry. Besides the pastoral duties



The National Theater was opened in April, 1950.

clergymen are charged with keeping exact records of births, deaths and marriages.

Literature

As early as the twelfth century a brilliant literature had been created in Iceland: the Sagas. They were written in the old Scandinavian language, then spoken all over Scandinavia and in parts of the British Isles. This language survives practically unaltered as the Icelandic of to-day, and the literary tradition is still unbroken. At present there are over 50 professional writers living in Iceland. Among these can be mentioned Gunnar

Gunnarsson, whose novels have been well received in Scandinavia and Germany. Kristmann Gudmundsson and Halldór Laxness are both prolific novelists and essayists and their books have been widely translated and acclaimed. The Book Club of America has selected books by both Gunnarsson and Laxness as the Book of the Month. Among other living authors of note can be mentioned Gudmundur Danielsson, Gudmundur Hagan and Ólafur Jóhann Sigurdsson. Among the poets the most outstanding are David Stefánsson, who has also written plays having considerable success both in Iceland and abroad, and Tómas Gudmundsson.

ICELAND

Arts

Forty artists are organized in the Society of Painters and Sculptors, which admits only professional artists. Pictorial art is comparatively young, the first Icelanders who took up painting and sculpture professionally are still living. The works of sculptor *Einar Jónsson* are displayed in the Einar Jónsson Museum in Reykjavik. Among other sculptors of merit are Guðmundur Einarsson, Ríkardur Jonsson and Ásmundur Sveinsson. The three leading painters are *Ásgrímur Jónsson*, *Jón Stefánsson* and *Jóhannes Kjærval*, who paint mainly landscapes. They are very different in their individual approaches to the subject matter, but have all had a deep influence on their younger colleagues. The best known of these are Finnur Jonsson, Gunnlaugur Blóndal, Kristín Jónsdóttir, Jóhann Briem, Magnus Árnason and Barbara Morrow Árnason.

Music

In an interesting work of over 900 pages the late Professor *Bjarni Thorsteinsson* published a great deal of old ecclesiastic and secular music preserved in Icelandic manuscripts, together with a great many melodies he had collected, a wealth of music not preserved anywhere else. To some extent his research reveals the reason why the old dorian and lydian modes were so popular in Iceland, as well as other characteristics generally considered highly irregular, such as duet singing in parallel fifths. Among composers of note can be mentioned Professor Sveinbjörnsson, Sigfús Einarsson, Páll Ísólfsen, Sigvaldi Kaldalóns, Sigurdur Thordarson, Jón Leifs and Helgi Pálsson. The recently formed Symphony Orchestra of Reykjavik may give great encouragement to young Icelandic composers. A College of Music in Reykjavik and music schools in other towns train many youths in music and composition, and recently the Church has established a music school for choristers and organists.

Theater

The new building of the National Theater is now completed, and opened in April, 1950. Its stage has the most modern equipment and the theater has a seating capacity of 660. Many of the young professional actors have received training abroad, especially in Denmark and England.

Apart from the National Theater a few dramatic societies have operated both in Reykjavik and the smaller towns.

Men of Letters

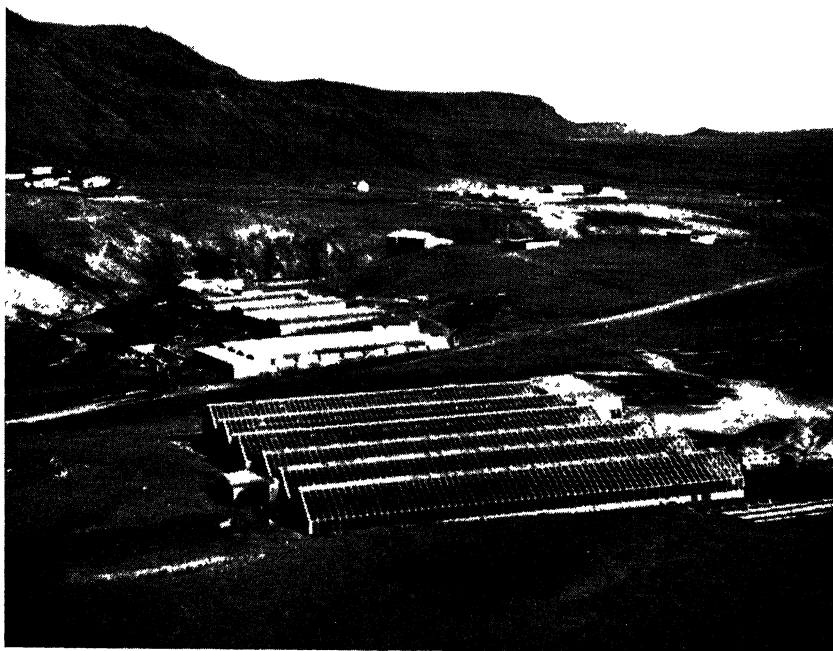
The twentieth century has seen a revival of learning and of science in Iceland. This falls mainly in two fields: research into the history, literature and language, and into the nature of Iceland.

The leading historians of the present century are Jón J. Adils, Dr. Páll E. Ólason, Dr. Thorkell Johannesson, and Vilhjálmur Th. Gislason. Bishop Jón Helgason has written about the Icelandic church and its leading personalities.

Studies of literature and language are intimately connected. The leading authorities in this double field are Björn M. Ólsen, Finnur Jónsson and Sigurdur Nordal. But they have several younger colleagues among whom the most prominent are Einar Ó. Sveinsson, Jón Helgason and the two professors who work in the United States, Richard Beck and Stefán Einarsson, who have published companion volumes: *The Icelandic Poets* and *The Icelandic Prose Writers 1800 to 1940*.

Thorvaldur Thoroddsen has written the leading books on the geography and geology of Iceland. Among the younger geologists can be mentioned Pálmi Hannesson, Dr. Trausti Einarsson, Johannes Askellsson, Dr. Sigurdur Thorarinnsson and Guðmundur Kjartansson.

Stefán Stefánsson and Dr. Helgi Jonsson, were the leading botanists of Iceland and Dr. Bjarni Sæmundsson has written several volumes on zoology and ichthyology.



On farms with hot water in the ground, hothouses are a profitable sideline.

Among the younger men in this field can be mentioned Steindor Steindors-son, Dr. Askill Love, Dr. Finnur Gudmundsson, and Árni Fridriksson.

Sports and Athletics

The climate of Iceland makes outdoor sports somewhat difficult. Most people think it would be ideal for winter sports but owing to the mild winter skating is only possible for periods of very short duration and to ski one has to go fairly high in the mountains. This means a long journey, so that young folk who are

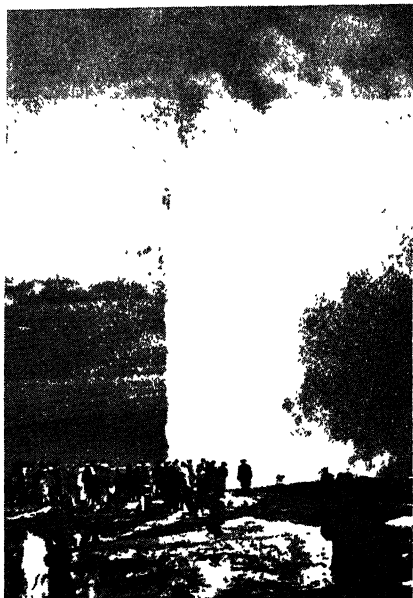
either working or studying cannot go skiing except on weekends. Professionalism in any kind of sports is unknown in Iceland.

There is a number of sports clubs spread all over Iceland. These are united in a central organization called Íþróttasamband Islands. Its membership is 23 000, or about one out of every six inhabitants.

The most popular sport is soccer but glíma, which is a kind of wrestling more than a thousand years old, is a special Icelandic sport.

Lately all kinds of other sports and

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athletics have become popular and are practised with fairly good results. At the international athletic competitions in Brussels in August, 1950, only 10 Icelanders partook, but they won 2 European championships and one second prize.

Unorganized outdoor life plays an important role in the national health. Camping trips over weekends and during summer vacations are very popular. They usually include riding or mountain climbing in the highlands or, in the winter, skiing.

Geysir erupting superheated water turning into steam. The column is 18 feet wide and this eruption 70 feet high, but has been measured at more than 200 feet.

NORWAY

The Country

Norway is the most westerly of the two countries occupying the Scandinavian peninsula. It extends from north to south between 71 degrees, 11 minutes, 8 seconds and 57 degrees, 57 minutes, 31 seconds north latitude. From east to west its outermost boundaries reach from 31 degrees, 10 minutes to 4 degrees, 30 minutes, 13 seconds east Greenwich. Its greatest length is 1 095 mi. Disregarding fjords and inlets the coast of the mainland measures 2 125 mi. Land boundaries to the east total 1 606 mi., where Norway shares a 1 031 mi. border with Sweden, 453 mi. with Finland, and, in the far north, 123 mi. with the Soviet Union. Total area of the country is 124 701 sq. mi.

Svalbard, which comprises the Spitzbergen island group—Björnøya, Hopen, Kong Karls Land and Kvitøya—is regarded as part of the Kingdom of Norway under international law, and is administered as an independent unit under a district governor. This area comprises a total of 24 200 sq. mi. Also under Norwegian sovereignty is the arctic island of Jan Mayen between Greenland and North Norway, with a total area of 143 sq. mi. Norway's possessions in the southern hemisphere include Bouvet Island (122 sq. mi.) and Peter the First Island. In addition the sector of the antarctic mainland between the Falkland Island Dependencies in the west to the boundary of the Australian Antarctic Dependencies in the east, including all land and territorial waters therein, has been declared Norwegian territory.

Approximately half of the Norwegian mainland is made up of treeless and waste plateau, mountains and foothills, and only 24.73 per cent of the land area is forested. Largest lakes include Mjøsa (141 sq. mi.), Fæmundsjø (232 sq. mi.), Røsvatn (73 sq. mi.) and Randsfjorden (51 sq. mi.). Norway's longest rivers include the Glomma (367 mi.), Numedalslågen

(213 mi.), Tana (206 mi.), Drammensvassdraget (189 mi.) and Skiensvassdraget (153 mi.).

The People

Norway's total population at the end of 1949 was provisionally estimated at 3 250 000—an increase of some 33 000 from the previous year.

The following figures show occupational distribution of the population as of the summer of 1949:

Agriculture and Logging	950 000
Fishing and Hunting	127 000
Industry and Handicrafts	710 000
Building and Construction	229 000
Business Enterprises	385 000
Shipping	82 000
Land and Air Transport	174 000
National and Local Government Administration	60 000
Education, Public Health, Research, etc.	147 000
Defense	59 000
Housework	77 000
	<hr/> 3 000 000

The remainder of the population is presumed either to be living on income from capital or on public relief, grants, or pensions.

Provisional statistics show that during the first three quarters of 1949 there were 19 294 marriages against 20 991 for the same period of 1948. Live births registered during the two periods were 48 601 and 50 381 respectively. Deaths during the first three quarters of 1949 totalled 21 299 against 20 830 for the first nine months the previous year. These statistics show that the surplus of births over deaths in the first three quarters of 1949 was somewhat below that for the same part of 1948. More than 99 per cent of all inhabitants are Norwegian, and minority problems, in the usual meaning, have never existed.

A provisional census of domestic population movements shows 102 000 per-

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sons have changed residence during the first 3 quarters of 1949. During the same period the number of emigrants from Norway exceeded immigrants by 1 967 individuals.

According to the Norwegian Central Bureau of Statistics, 2 272 853 persons or 72 per cent of the population reside in rural or suburban areas, while 884 404 (28 per cent) live in cities (December 3, 1946).

The biggest city is Oslo, the capital, with a population of approximately 420 000. The old commercial city of Bergen is next largest with 120 000 inhabitants. Trondheim has 60 000, Stavanger 51 000, Drammen 28 000 and Kristiansand 25 000. The remaining cities, villages, and shipping points have less than 25 000 residents each.

Agriculture

Norway has a farm area totalling approximately 2 491 680 acres. According to the farm census of 1939, 180 235 farms were under 4.8 acres, 78 237 between 4.8 and 12 acres, 63 795 between 12 and 48 acres, 5 432 between 48 and 120 acres, 351 between 120 and 240 acres and 41 over 240 acres. A total of 328 181 farms were registered in all. It is apparent from these figures that Norway's farm pattern comprises an unusually large number of very small farms, and that their owners must of necessity have other occupations and income in addition to that derived from the farms. Figures from 1801 show that Norway's farm population at that time totalled 710 252 persons, or 80.4 per cent of the total population. By 1930 the figures had shifted to 838 848 and 29 per cent respectively. During the years between 1801 and 1930 Norway's total population increased by 2 000 000. However, the percentage of farmers and their families in the total population has continued to decrease during the years since 1930. Nevertheless, agricultural productivity has increased greatly. This can be directly

attributed to tremendous new developments in farming methods: including mechanization, drainage, and fertilizing.

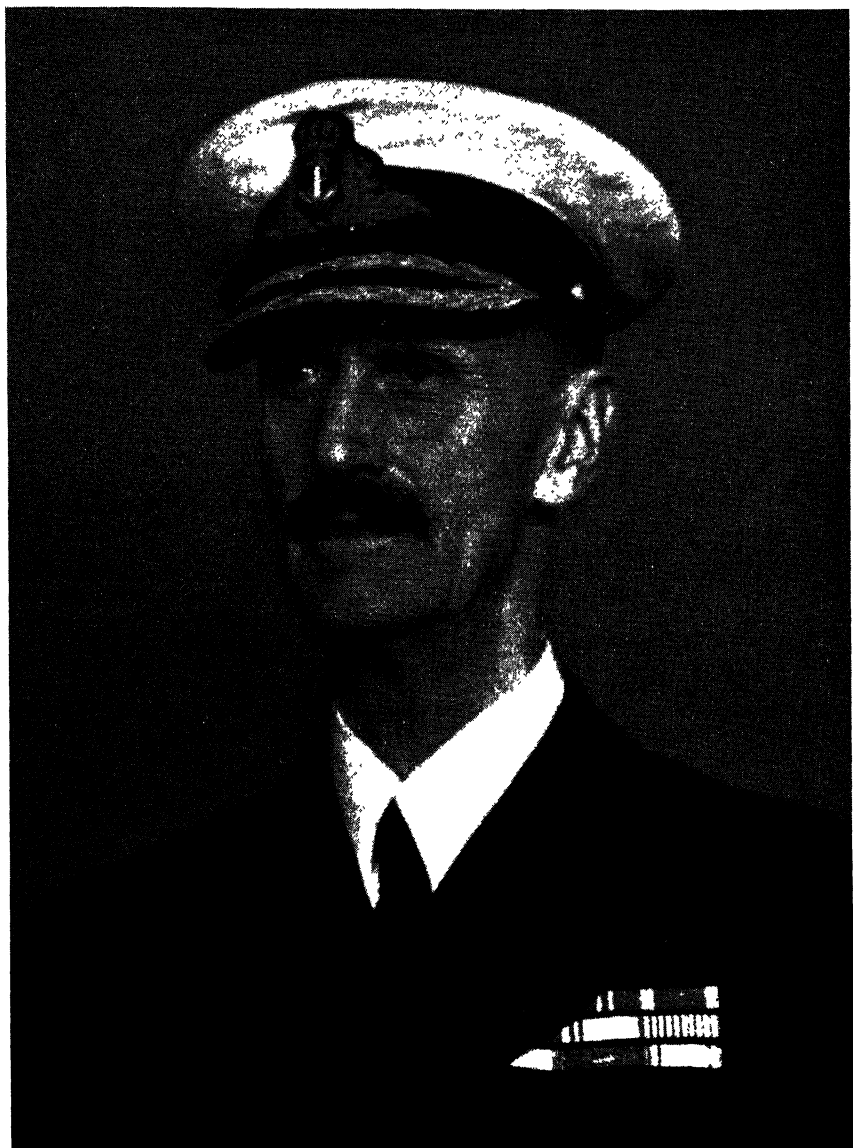
As far as most products are concerned, farm output in Norway has regained at least pre-war levels, and production of many items is already above that for 1939. Yield per acre is extremely high due to intensive cultivation. Farm produce prices in 1949 have been approximately 150 per cent above the 1938-9 level, while the cost of means of production has risen approximately 80 per cent over pre-war. Total farm income in 1948-9 was estimated at 957 000 000 kr., against 229 200 000 kr. for 1938-9.

Before the war, Norway was relatively self-sufficient in milk, potatoes, eggs, cheese, meat and vegetables, and was able to export considerable quantities of these items. This was made possible, however, only through sizeable imports of feed-grains, amounting to 15-16 per cent of total feed consumption. Norway has always been forced to import a greater part of her bread-grain. According to the most recent figures, acreage planted in grain dropped 18 per cent between 1939 and 1948, while potato acreage rose some 13 per cent during the same period. The 1949 harvest is provisionally set at 1 923 million feed units, in other words 13 million feed units less than in 1939. The number of cattle increased from 1 224 182 in 1929 to 1 445 016 in 1939, dropping again to 1 276 000 in 1946.

Between 1921 and 1948 the government provided 32 300 000 kroner to assist in clearing 17 235 new farms. In addition, government funds totalling 142 800 000 kr. were granted to promote agriculture in general. Aid has also been extended to many other farm projects, particularly those concerned with increasing farm incomes.

Fisheries

Fisheries are one of Norway's major sources of income, and fish is an important export. Norwegian fishermen operate



Haakon VII, the popular king, one of the few monarchs actually chosen by vote of the people.

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both in domestic and foreign waters, with the bulk of the catch being taken off the Norwegian coast. Figures for 1948 show 800 000 tons caught in home waters and approximately 20 000 tons caught elsewhere. Herring and cod make up the major part of these figures. Cod fishing in the Lofoten area in February and March is among the most extensive in the world.

Catch quantity and value for the past three years are set forth in the following table. It should be noted that the figures are provisional, and that 1948 is regarded as a record year.

	Tons	Value in Kroner
1947	1 064 811	296 750 000
1948	1 340 227	325 211 000
1949 (approx.)	1 000 000	295 000 000

Price developments are apparent upon comparing the above with the 1940 figures, when the season's catch of some 1 000 000 tons sold for approximately 106 000 000 kr. In 1948 the value of exported fish and fish products was set at 460 800 000 kr.

There were 32 969 fishing vessels registered in Norway as of July 15, 1948. Of this number 151 were steam-powered, 12 421 were motor boats with deck, 18 570 open motor vessels, 48 sailboats with deck, and 1 779 open boats without motor. Including all kinds of dories, seal boats, purse-seine boats, net boats, and other types of small craft there were 15 065 small boats attached to the Norwegian fishing and hunting fleet. The fishing fleet has been completely restored since the war and there has been a steady increase over pre-war tonnage since the beginning of 1950.

Organization of fish exports was well underway before the war, and underwent a rapid development during and following the occupation. National organizations of exporters have been formed and several of them have been extended a measure of legislative protection. This has taken place through setting up special committees to negotiate and conclude sales of

various fish products for export. During a large part of the period between the wars, base prices for fish were so low that fishermen often lived under very strained economic conditions. Low prices were primarily the result of an unusually difficult export situation. Since the war, however, export opportunities for fish and fish products have brought higher prices to producers and fishermen. In addition, nearly every domestic species of economic importance is subjected to an organized sales program through the fishermen's organizations. In this manner it is possible to maintain stability of prices paid producers. Prices to the fishermen are now set by negotiation between the fishermen's organizations and a committee named by the public authorities. Development of the industry's technical side—processing, freezing and storage—has gone on rapidly since the war, despite material and labor shortages.

The same applies to rebuilding of processing plants in the war damaged areas.

Whether or not trawler fishing should be permitted is a bitterly discussed question in Norway today—just as it has been for the past 20 years. An official commission named to investigate the matter turned in its report in 1949, and a majority recommended that trawler fishing be permitted. A minority, however, would accede only if the vessels were owned by the participating fishermen themselves. A government bill covering the matter was expected in the Storting in the course of 1950.

Whaling

During the 1948-9 whaling season, 10 Norwegian floating factories, one land station and 108 whaleboats were operating in antarctic waters. One floating factory and 17 whaleboats had been added to the fleet since the previous year. Some 4 263 Norwegians were employed with the Norwegian expeditions and an additional 2 670 Norwegians had signed



The world's greatest cod-fishing grounds are off Lofoten in northern Norway. Here part of the fishing fleet puts out to sea.

aboard foreign whaling vessels. Norwegian and foreign expeditions combined employed a total of 10 100 men, of which 68 per cent were Norwegians. During the 1948-9 season Norwegian boats brought in 16 119 whales, 990 000 barrels of whale oil, and 170 000 barrels of sperm oil. Norwegian processing plants, which are developing rapidly thanks to modern research, have also turned out a number of important by-products. Total value of Norwegian whale oil, sperm oil, and by-products was set at 305 000 000 kr. for the season.

During the 1949-50 season Norwegian whalers operated in the Antarctic with the same number of floating factories and land stations as the year before. Whaleboats, however, have increased from 108 to 126.

Hunting and Inland Fishing

Hunting and river fishing have provided a livelihood for many Norwegians since earliest times. To-day, however, they are no longer a major source of income for any groups. Value of salmon fishing in Norwegian rivers has approximated a million kroner yearly since 1945. Before the war, salmon fishing in Norwegian rivers was a popular sport among many wealthy Englishmen who rented fishing rights for sizeable payments each year. The number of *elg* (Norwegian moose) has risen considerably during and following the war, but the annual hunting season lasts only five days. Some 4 000 *elg* were shot in 1940, and the sales value of the meat was set at approximately 3 million kroner.

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Logging and forestry

There are 18.2 million acres of forested area in Norway of which 12.7 million acres comprise coniferous forest. These forests may be considered Norway's most important raw material source. During the best years, logging operators have managed to bring out up to 282.4 million cu.ft. of timber, and experts maintain that a still greater production is possible without endangering the forest potential—assuming, of course, that forest care and reforestation is maintained or increased. Annual forest growth is estimated at 423.6 million cu.ft., comprising 254.2 million cu.ft. of spruce and fir, 98.8 million cu.ft. of pine, and 70.6 million cu.ft. of deciduous growth. Of the estimated 353 million cu.ft. in coniferous growth, it is calculated that some 317.9 million are of commercial value, but it is difficult to say how much of the deciduous growth can be utilized.

Approximately 70 per cent of the forested area is made up of tracts in excess of 240 acres, but these comprise a mere 10 per cent of the individual forest holdings in the country. Some 90 per cent, in other words, is made up of holdings under 240 acres in area. Over 64 per cent of all forests in Norway are attached to farms, 16 per cent are owned by industrial concerns, and 20 per cent by the government. In certain parts of the country, sizeable forest areas are owned jointly by farmers or small-holders—the so called “common lands” which were set aside more than a hundred years ago. This form of cooperation has been very successful.

Particularly during the post-war years, logging and forestry have played a significant role in Norway's economy; partly as a source of material for building and construction, and in part because timber is the major raw material for the wood processing industry—one of Norway's most important export enterprises. In order to benefit from presently favorable prices on world markets and to cover domestic needs, authorities have con-

centrated on increasing timber production as much as possible. Timber prices have been raised to stimulate forest owners to greater production and the wages of loggers have been considerably increased. In addition, a number of special projects have been launched with the same objectives: vocational training, expansion of the forest road network, improvement of living conditions for loggers, importing of new technical equipment such as chainsaws, and the transferring of labor from other occupations during the logging season. In addition, much has been done to continue and extend the reforestation program.

Timber output for 1948-9 topped the planned felling for that year, and represents the heaviest cutting since 1920-21. During the past three years approximately 30 000 loggers have been employed at the height of the logging season—February to March.

Financial results of 1948 cutting were as follows:

For a timber output totalling some 264.75 million cu.ft. forest owners received 330 million kroner based on a price of from kr. 0.13 to kr. 0.15 per cu.ft. An additional 309 000 cords of cordwood were also sold for a total of 28 million kroner. Home-consumption of cordwood totalled some 49.4 cu.ft. or kr. 84 000 000. Forest owners received a total income of 442 million kroner for the year.

Industry

Rapid expansion of industry during the present century is due in large measure to hydro-electric development and the cheap electric power which it has provided. The increasing tempo of development since the war is noted in the gross investment table cited earlier. The number of persons employed in industry has increased steadily during the post-war period, totalling 300 000 in 1949 as compared with about 237 000 in 1936. Major export industries include wood processing, chemicals, electro-chemicals—led by a large

firm, Norsk Hydro—electro-metallurgicals, mining, and canned goods. Between January and October, 1949, export values of a number of industrial products tallied as follows:

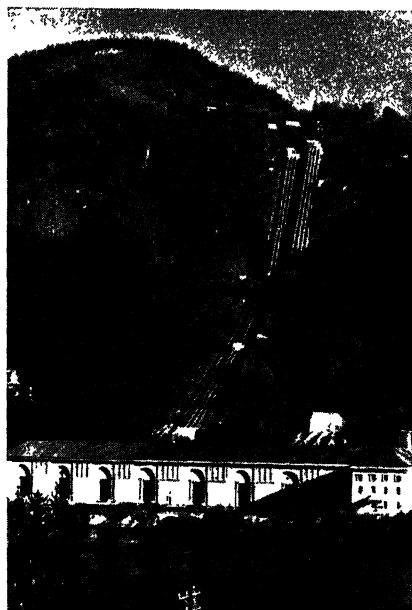
	Kr.
Canned fish and fish products	79 500 000
Fats and oils	294 400 000
Drugs and chemicals	24 500 000
Fertilizers	118 700 000
Lumber and wood products	27 300 000
Paper pulp	210 400 000
Paper and cardboard	236 500 000
Raw and semi-processed oils	244 300 000
Ores	40 700 000

Industrial production has increased rapidly since the war, and is now considerably above 1938 levels. This development is noted in the following table:

	1938	1945	1946	1947	1948
Production media industries	100	68.6	98.8	116.4	127.5
Consumer industries	100	69.4	103.4	118.8	119.0
Export industries	100	44.5	68.4	82.0	92.3
Domestic industries	100	80.7	115.7	130.9	140.6
Total	100	68.9	100.4	115.0	124.9

The above index shows that industry as a whole regained its pre-war output by 1946 and expansion has continued. By May, 1949, industrial output had reached record levels.

When one compares export industries and domestic industries—those producing for home consumption—different developments are immediately noted. At the end of the war, output of export industries was at a very low level and did not reach pre-war before May, 1949. Factors responsible for this include shortages of raw materials and power, as well as damage suffered during the war and occupation. Domestic industries, on the other hand, were in relatively good condition at war's end and have subsequently increased their output, so that by 1949 total production was far above pre-war. Conditions conducive to production included a very high demand.



Water power is Norway's most important source of energy. The Rødsberg Hydro-Electric Plant in Numedal, with a fall of more than 1 100 feet.

Demand for electric power has been particularly heavy since the war. In view of the importance of electric power for developing export industries and for supplementing reduced imports of fuel, hydro-electric development has been given a high priority under the Norwegian investment program. From 1946 to 1948, for example, investments in electric power development totalled 477 000 000 kr.

Installed generator capacity by the end of 1949 is estimated at 3 550 000 kw., against 2 636 000 in 1939. A number of large developments are now building, as are several of medium and smaller capacity.

Shipping

According to provisional statistics, 219 new vessels totalling 586 000 tons were added to the Norwegian merchant fleet during 1949. Net additions to the fleet totalled approximately 611 000 gross tons. With these additions, fleet-tonnage passed the 5 000 000 gr. reg. tons mark by late 1949, as compared with 4 800 000 gross tons in 1940 and 2 600 000 gross tons at war's end in 1945. Of this total figure, approximately 2 100 000 gross tons or 40 per cent was made up of tankers as of January 1, 1950. Tanker tonnage as of January 1, 1940, also constituted 40 per cent of the fleet.

Despite tonnage rises since 1948, it is estimated that net freight earnings abroad have held to much the same level in 1949 as in the previous year—approximately 820 000 000 kr. This may be attributed to lower freight rates in 1949 and to difficulties in securing cargo for ships in line traffic. Several vessels have been laid up for short periods. Before the war, income from Norwegian shipping paid for approximately $\frac{1}{3}$ of Norway's imports. Since 1945, however, shipping income has failed to cover a similar proportion.

Public and Private Investments

On the basis of calculations covering investments in every area of business and industry, the Norwegian Department of Commerce has worked out an estimated gross investment table for the country as a whole (see next column).

It may be noted from the above that investments in shipping on the one hand and industry, crafts and electric power on the other each constitute approximately $\frac{1}{4}$ of Norway's total gross investments, and that new housing and housing repairs each year account for from 13 to 14 per cent of the total. Public investments during the three years have made up between 20 and 25 per cent of the whole.

Excluding imports of defense materials, ship repairs abroad, and inventory investments, total gross investment for 1947, 1948, and 1949 would amount to 3 501 000 000; 3 612 000 000; and 4 230 000 000 kr. respectively. This constitutes a 3 per cent increase from 1947 to 1948, and 17 per cent from 1948 to 1949.

Total Gross Investments in Millions of Kroner

	1947	1948	1949
Agriculture and forestry	231	269	320
Fishing	73	94	101
Whaling	129	103	76
Industry and crafts	617	804	956
Electric power	200	218	220
Shipping	909	960	1 101
Other transport	705	569	614
Housing	520	550	630
Wares in storage	156	258	287
Defense	185	84	121
Other gross investments	206	213	249
Total gross investments	3 931	4 122	4 675

Of which:

Public investment	968	877	1 002
Private investment	2 963	3 245	3 675

Foreign Trade and Payment Balance

Based on provisional figures, Norway's 1949 imports, including ships, totalled 4 217 000 000 kr. (including imports from Svalbard). The figure for 1948 was 3 721 000 000 kr. Excluding ships, the value of goods imported in 1949 reached approximately 3 381 000 000 kr. against 3 033 000 000 kr. in 1948. Value of all exports for 1949, including ships and whale oil delivered direct from the whaling fields, totalled 2 172 000 000 kr. against 2 165 000 000 kr. in 1948. Excluding ships, goods exported in 1949 totalled 2 126 000 000 kr. against 2 118 000 000 for the previous year. It is therefore apparent, on the basis of these provisional figures, that the import surplus rose from 1 556 000 000 kr. in 1948 to 2 045 000 000 kr. in 1949.

Foreign Trade Balance for 1948-49

	1948	1949
	Mill. kr.	Mill. kr.
Current income:		
Exports excluding ships f. o. b.	2 130	2 134
Exports of ships	47	46
Gross freight earnings	1 650	1 720
Foreign tourists	100	84
Insurance	163	170
Interest and dividends	23	20
Gifts, inheritances, com- pensations etc.	49	37
Other	180	211
Total	4 342	4 422
Current expenses:		
Imports excluding ships, c. i. f.	3 092	3 409
Imports of ships	688	836
Shipping expenses abroad	796	870
Norwegian tourist expen- ses abroad	100	118
Insurance	205	210
Interest and dividends	85	90
Gifts, inheritances, etc.	40	31
Other	153	168
Total	5 150	5 732
Deficit on current operations	817	1 310

From January 1, 1946, to January 1, 1949, Norway's financial balance with countries abroad has shifted from a net credit of 1 050 000 000 kr. to a net deficit of approximately 1 200 000 000 kr. In 1949, the net deficit increased by 680 000 000 kr., for a total increase in the net deficit to countries abroad of 2 930 000 000 kr. during the 4-year period 1946-1949.

In the years immediately to come, the need to balance import and export income must be regarded as one of the most pressing problems.

Norway, a Kingdom and a State Based on Law

Norway has been inhabited since the earliest periods of history and is one of the world's oldest states based on law. Throughout its history it has always been and still is a monarchy. In 1319, however, the male line of the old Nor-



Waterfalls by the thousands are not only a source of cheap electric power for Norway, they are strikingly beautiful. This is Rjukan Falls.

wegian royal family died out. A short period during which Norway shared a common king with Sweden and Denmark followed, after which a union was established with Denmark which continued for 400 years, until 1814. During the latter period both countries were ruled by one king, who resided in Copenhagen, and Norway was actually ruled from that city. In 1814, in the reapportionment of Europe at the Peace of Kiel following the Napoleonic wars, Norway was yielded up to Sweden, which had fought against Na-

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poleon. The Norwegians, however, were unwilling to accept this arrangement. They drew up their own constitution and declared Norway a free and independent state. Following a short period of hostilities between Norway and Sweden and by negotiations between Norwegian spokesmen and the Swedish heir-apparent, Bernadotte (later King Karl Johan), a personal union between Sweden and Norway was brought into being. It continued until 1905, when it was dissolved by peaceful negotiation between the two countries.

Norwegians thereupon offered the throne of Norway to Prince Carl of Denmark, who agreed to accept the offer only upon approval by the Norwegian people in a nationwide plebiscite. An overwhelming majority voted in favor of the Danish prince. Prince Carl, who was married to Princess Maud, Daughter of King Edward VII and Queen Alexandra of England, took the old Norwegian royal name of Haakon and gave his only son—Norway's crown prince—the equally traditional name of Olav. King Haakon VII, born in 1872, has occupied Norway's throne for the last 45 years. Queen Maud, who was born in 1869, died in 1938. Crown Prince Olav (born in 1903) married Princess Märtha (born in 1901) daughter of Prince Carl and Princess Ingeborg of Sweden, in 1929. The Norwegian royal couple has three children: Princess Ragnhild Alexandra, born in 1930; Princess Astrid Maud Ingeborg, born in 1932, and the heir-apparent, Harald, born in 1937.

A deep respect for law and justice and for the personal freedom and inviolability of the individual have been deeply implanted in the character of the Norwegian people from the earliest times. As early as the thirteenth century the following principle was formulated as a foundation for state and society: "With law shall the land be built, not by lawlessness destroyed." The Norwegian constitution of 1814, with amendments of a more practical nature still in force today, was undoubtedly strongly influenced by the

American Declaration of Independence and by the concepts of freedom which motivated the French revolution. These same ideas, however, were deeply rooted in the Norwegian character and in that of the average man.

Under the Norwegian constitution no one can be imprisoned without trial nor sentenced to punishment without sanction by law and through legal processes. Torture or the use of force under questioning are forbidden by law, and no law may have retroactive effect.

Although the Evangelical Lutheran church is the official denomination of the country, full freedom of worship is extended to all citizens. Every citizen possesses the uninhibited right to express his opinion either orally or in writing on any and all problems, including criticism of the government and parliament. Trial by jury before a legally constituted court was introduced at the end of the last century. The death penalty was suspended by law in 1905 after not having been used since 1875. During the war of 1940—1945, however, it was re-instituted for war criminals and continues in effect at the time of writing. It is expected to be discontinued in the near future.

The fact that the Norwegian farmer has always been a free agent—in most instances owning his own land—cannot be overestimated in explaining the love of freedom characteristic of Norway. He has never lived under bondage or in serfdom. Today 92 per cent of all farmers own their own farms and only 8 per cent rent or farm on a share basis.

Farmers, laborers and fishermen have, to an overwhelming degree, assumed leadership both in national and municipal government of modern, democratic Norway.

Political Developments under Parliamentarism

The parliamentary system was introduced in 1884. During the 44 years to follow,



The rocky Sörland coast with a house not far from the water is typical of thousands of homesites in Norway.

power was exercised alternately by two parties, the Conservatives—"höyre"—and the Liberals—"venstre." The latter were most often in control and for the longest periods. In 1888 the Norwegian Labor, or Social-Democratic, Party was founded. By 1903 it was strong enough to elect its first 3 representatives to parliament and in the course of the intervening years has developed into the strongest political party. The Labor Party formed its first government in 1928, but it lasted only a few weeks. In 1935 it again won the right to form a government, but did not achieve a majority in parliament until 1945.

On April 9, 1940, Norway was attacked by German armed forces. Norwegian defense units fought until June 3, 1940, when they were forced to terminate

military operations on Norwegian soil. The king and government left for England where Norway continued the struggle together with her allies. Crown Prince Olav and King Haakon remained with the Norwegian government in England. Crown Princess Märtha and the three children of the royal family, however, had fled to Sweden during the first days of the occupation. At the invitation of President Roosevelt, the Crown Princess and the children came to America in 1940, where they resided for the duration of the war. The Norwegian Government in London was reconstituted several times during the war years with the inclusion of representatives from Norway's non-socialistic parties. During the whole of this period, however, the Labor Party retained a majority in the government. One month

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following the end of hostilities in Europe in 1945, King Haakon, the royal family and the government returned to Oslo. The wartime government was dissolved and a coalition government including representatives from all Norwegian political parties was formed in June 1945, with the Labor Party still in the majority. In the parliamentary elections in October of the same year the Labor Party received an absolute majority in parliament—76 of the 150 seats—and took over sole leadership of the government. The party succeeded in increasing its majority to 85 seats in regular elections four years later, October, 1949. Norway has been administered by labor governments since November 1945, and will—in all likelihood—be similarly governed until 1953.

A new party was added to the list in 1919 with the founding of the Agrarian Party (Bondepartiet). It is conservatively inclined and posts candidates only in rural areas. The Agrarians headed a government for two years from the spring of 1931 until early 1933.

The Norwegian Communist Party was founded in 1924, but during the years immediately preceding the war failed to elect any representatives to parliament. In the 1945 elections, however, 11 communists were elected, only to be unseated as a result of the 1949 vote. The latter development is tied in with the Norwegian voting system, explained in the following section.

A sixth principal political party, the Christian Democratic (Kristelig Folkeparti), was founded in 1933. It is non-socialistic and places emphasis upon religious and esthetic factors. Other political parties which appeared during the years between the wars, and which to some extent have reappeared since 1945, have neither the strength nor capacity to play political roles of any significance.

The Government

Members of the Government, appointed or dismissed by the King in Council, in-

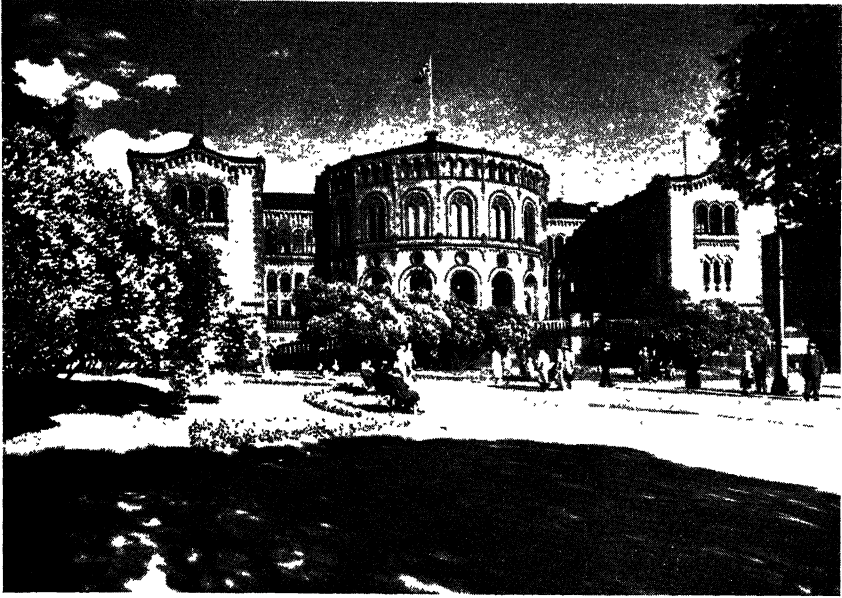
clude at the present time the prime minister and his 13 ministers. Each of the latter heads his own department. Before the recent war the prime minister also usually headed one of the departments, but immediately before and following the war the duties of the head of the government became so great that the practice was discontinued. Immediately after the last war Norway appointed consultative ministers for special duties in connection with liberation and reconstruction, but this procedure is no longer used. Cabinet duties are divided among the following departments: Foreign Affairs; Finance and Customs; Defense; Justice and Police; Ecclesiastical Affairs and Education; Municipal Affairs and Labor; Social Affairs; Industry, Handicraft, and Shipping; Fisheries; Agriculture; Transport and Supply.

Since the recent war the new position of assistant secretaries has been provisionally instituted in certain departments. They are the minister's closest advisers but do not appear in the Storting. The minister has the exclusive parliamentary and constitutional responsibility for his department.

The Election System and Recent Storting Elections

The Storting, or parliament, is composed of 150 representatives elected for four-year terms. All Norwegian citizens—men and women—who have passed their 21st year are eligible to vote and to be elected to the Storting. Women have had the right to vote and to hold office since 1913. Three different principles have served as the basis for the election system since 1814.

1. The principle of indirect elections utilizing electors. This continued in effect from 1814 to 1903 and with certain reservations can be compared in principle with the present presidential election system in the United States.



The Storting (Parliament) House in Oslo, where the elected representatives of a free people make the nation's laws.

2. Direct elections, one representative from each constituency, in force from the 1906 elections through the elections of 1918. With certain exceptions this system was much like the one in use in England at the present time.

3. The present system, introduced in 1921, with proportional representation serving as the basis for division of mandates between parties in the larger districts and with representation on a district basis. Allocation takes place according to the so called d'Hont method.

In 1930 an arrangement was introduced whereby parties so desiring could join in a vote-pool on a district basis (*Listeforbund*). Under this system the surplus vote above and beyond that necessary to elect a party's candidate in a certain district

could be transferred to support candidates of other parties in the vote-pool. This arrangement was terminated in the spring of 1949 by the Labor Party majority in the face of strong resistance by all other parties. The opportunity for two or more parties to post joint listings, however, remains in effect. The question of introducing a new election procedure providing a more correct mathematical distribution of mandates in accordance with the parties' total national vote has now been taken up and can be regarded as one of the major current political problems. Such a revision would rectify a principal shortcoming of the present system.

Results of the Storting election of 1949:

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Party	Popular vote, 1945	Percent- age of total vote cast
Labor	803 471	45.69
Conservative	279 790	15.91
Liberal	218 866	12.45
Agrarian ¹	85 418	4.86
Christian Democratic	147 068	8.36
Communist	102 722	5.84
Joint Listing (Cons. Agr. Liberal)	45 311	2.58
Joint Listing (Cons. Agr.)	35 860	2.04
Joint Listing (Liberal Christ. Dem.)	4 334	0.25
Joint Listing (Agr. Liberal)	22 408	1.28
Union Party	13 088	0.74

¹ In one district the Agrarian Party's list was rejected because of technical irregularities.

Seats in Parliament 1949:

Labor	85
Conservative	23
Liberal	21
Agrarian	12
Christian Democratic	9
Total	150

The Storting

The functions of the Storting are set forth in the constitution, which defines Norway as a representative democracy. It is the duty of the Storting to formulate and pass legislation, to approve the budget, to levy taxes, and to see that the country is always governed in accordance with the constitution. The Storting is a unicameral body, but for purposes of legislative procedure and constitutional control its business is conducted in two divisions: the Odelsting of 112 members and the Lagting of 38 members. The Norwegian Storting is, therefore, generally characterized as a modified unicameral legislature.

The Government's proposals to the Storting, or the so-called government propositions, are presented in Cabinet before the King at the Palace in Oslo. The Cabinet generally meets each Friday.

The propositions are then sent to the Storting's presidency, which is charged

with directing that body's activities and is composed of 6 members: two in the Storting, two in the Odelsting, and two in the Lagting. The president of the Storting is the highest representative of the electorate after the king. At the direction of the presidency, legislative proposals are then distributed among the permanent committees of parliament, which forward them in the form of bills. When a bill is presented it is entered on the calendar of either the Storting or the Odelsting for action. The standing committees are the Storting's most important organs and each representative has a seat on one of them. At the present time the Storting has the following 12 committees: Foreign Affairs and Constitution; Financial and Customs; National Defense; Justice; Agriculture; Forest, Waterways, and Industries; Highways and Railways; Shipping and Fisheries; Social Affairs; Municipal Affairs; Church and Education; and the Administrative Committee. In addition to these is the Protocol Committee—under the Odelsting—which supervises and forwards proposals concerning enactments for which the government is responsible, among other duties. Average age of representatives elected in 1949 was approximately 53 years, as compared with slightly over 50 in 1945. Seven women were seated in parliament in both 1945 and 1949.

Government Budget and Public Debt

During the years immediately preceding the recent war, government appropriations were between 600 000 000 kroner and 900 000 000 kroner annually. Alterations in the economic situation since the war and revision of money values have led to a marked increase in budget totals since 1945. The five budgets approved since the war totalled 12 615 000 000 kroner and the last budget — 1949–50 — 2 640 747 000 kroner.

The following table shows how the government utilized its funds during the budget year 1948-49:

	%
Subsidies to hold down prices of basic consumer goods	22.14
Reconstruction and war damage	13.00
Transport, hydro-electric development, etc.	14.81
Defense	11.47
Administration, Church, principal and interest on the public debt owed abroad, agriculture, forestry, etc.	13.53
Old age pensions, child subsidies, health insurance, unemployment insurance	6.73
Public debt owed domestically	3.92
Appropriations brought forward	2.80
Education and research	5.37
Justice, police, and health service	6.23
	100.00

In 1939 the national debt totaled 1 464 200 000 kroner. Of this amount 867 800 000 kr. was loaned domestically and 596 400 000 abroad. In 1946, the national debt totaled 6 958 200 000 kr., 6 452 900 000 loaned domestically and 503 300 000 abroad. As of June 3, 1949, the national debt totaled 6 165 500 000 kr., 5 069 100 000 owed domestically and 1 096 400 000 abroad. In 1948 the national debt averaged 1 981 kr. per inhabitant.

The Occupation and What It Cost

From 1814 to 1940 Norway lived at peace with all lands and experienced a period of rich development in all phases of social life. To the extent of its capacity, Norway had participated in all international movements for furthering cooperation between peoples and preserving the peace of Europe. But after the Nazi victory in Germany and the beginning of Hitler's reckless policy of rearmament and expansion, it became increasingly clear to more and more Norwegians that peace would be increasingly difficult to maintain. This was reflected in increased military appropriations, but—as in many other European democracies—the ten-

dency was limited. The enemy struck on April 9, 1940, when the German Wehrmacht launched an attack on Denmark and Norway without any formal declaration of war. Norwegian forces took up the struggle against overwhelming odds. The King, the Crown Prince and his family, the Government and the Storting were forced to flee the capital and were attacked several times by German bombers. Under these conditions, it was impossible to keep all members of the legislative body together. But, at a final meeting of the Storting which was held at Elverum north of Oslo on the night of April 9, the Government was extended authority to take whatever steps necessary to continue the struggle and to restore Norway's freedom and independence. This authority, therefore, provided a clear constitutional mandate on which the Norwegian government was to operate during the five war years. Hostilities in Norway lasted until June 7, 1940. England and France sent expeditionary forces, but military developments in the European theater during May made it necessary to withdraw these troops. It soon became obvious that Norwegian forces alone would not be able to continue the struggle any longer. The King, Crown Prince, the Government and a number of state officials and other Norwegians therefore left for England aboard a British cruiser. King and Government were established in London and directed Norway's struggle from the British capital during the five years to follow. Norway's most important contribution to the Allied war effort was her large merchant fleet, which at that time comprised 4.8 million gross tons of some of the most modern shipping afloat. Most of these vessels were operating outside Norwegian territorial waters, and immediately complied with the Government's orders to remain in or repair to the nearest Allied port.

For the duration of the war in Europe, the German occupation force was the supreme power in Norway. It was on Norwegian soil that the final remnants of

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the German Wehrmacht capitulated. Ten thousand Norwegians had lost their lives in action by the end of the war, either at sea, in land engagements, in the air, or in German Gestapo prisons and concentration camps. The Norwegian underground movement was in evidence as early as 1940 and expanded rapidly through all branches of the Norwegian society, following directives from the head organ of the so-called Home Front. Approximately 40 000 Norwegians—women and men—were held in German prisons and concentration camps during the war. A similar number fled the country, most of them to Sweden and many to England, the United States and Canada. Finnmark, the northernmost section of the country with an area of 3 846 sq. mi., was totally levelled in the course of the German retreat from Finland in the fall of 1944. All docks and bridges were blown up, telephone and telegraph lines were destroyed and the bulk of the population—60 to 70 thousand individuals—was either evacuated by force to southern Norway or forced to seek refuge in Sweden. War action reduced the Norwegian merchant fleet from 4.8 million to some 2.6 million gross tons and only 25 per cent of the Norwegian whaling fleet survived the war.

By the end of 1939 the living standard of Norway was higher than in most European countries. At the time of liberation in May, 1945, it was only 80 per cent of its pre-war level.

Naturally, Norway's major objectives since 1945 have been reconstruction and expansion of the productive apparatus and the rebuilding of all that was laid waste by war and occupation.

Increasing production and a large import surplus have made it possible to make increasingly heavy capital investments. Despite Norway's high investment rate—the heaviest in western Europe—it has nevertheless been possible to raise the consumer level as well. At the same time a better balance has been achieved in income distribution, with the

sharpest increase noted for the occupational groups whose pre-war position was least secure.

Taxation

Total taxes—direct and indirect—collected by national and local governments for the budget year 1947–48 totaled 3 211 444 000 kr. Of this amount 854 812 000 went to the municipalities and 2 356 632 000 to the national government. Regular taxes (including preparedness and war damage taxes) paid to the national government on income and capital totaled 923 900 000 kr., consumer taxes 1 354 607 000 and other taxes and levies 78 125 000. Consumer taxes include customs levies, tax on alcoholic beverages and beer, chocolate and tobacco, interim sales tax, serving tax on wine and spirits, surplus from the Liquor Monopoly and liquor sales tax, and road tax for motorists. (In Norway all wines and liquors are sold by the Liquor Monopoly, a state agency.)

Direct local and national taxes were equal to 742.23 kroner per inhabitant. The average payment per taxpayer was 1 442.28 kroner, equal to a rate of 27.01 per cent of gross income or 35.95 per cent of net income.

Interest Rates

In an effort to compensate for increased building costs and to stimulate housing construction, the Bank of Norway cut its rate of discount from 3 to 2.5 per cent after liberation. A second important factor prompting this decision was regard for long range investment, while a third reflected consideration for the national debt. It is also maintained that this low interest rate has an important social aspect, in that it assists in a more even distribution of income, to the advantage of the working groups. The present government has set forth its guiding principles in regard to future investment and development in a long range economic



Mountains are a characteristic feature of the rugged Norwegian landscape, as seen in this shot from the eastern part of the country.

program. In drawing it up, the government has maintained that if Norway is to better its economic position or to hold the present level there must be an accelerated development of industry. It is further maintained that a low rate of interest is a prerequisite for realizing the projected investment program.

Central Administration

Persons directly employed by the various departments of the national administration totaled 18 246 in January 1949. This figure represents 1.3 per cent of Norway's

employed population. An indication of the growth of central administration from 1939 until the end of 1948 is given by the following figures:

	January 1, 1939	January 1, 1949
Storting	49	60
State Auditor (Riksrevisjonen)	162	411
Departments	714	2 263
Central administrative bodies under the departments (Directorates)	991	2 098
Other public administrative bodies excluding the military	7 026	13 414
Total	8 942	18 246

Local Administration

A municipality is defined in Norway as a publicly constituted community with definite boundaries, which is subordinated to the state but equipped with its own organs through which the people exercise their authority.

Rural areas are divided into 680 rural municipalities. The most important rural municipal authorities are as follows:

1. The District Council, which has the power of appropriation and taxation and exercises the principal authority.
2. The Council Presidency, comprised of a certain number of District Council members, is the controlling municipal organ. It can be delegated a considerable part of the District Council's authority.
3. The mayor.
4. The alderman (*borgermester*). Only a few of the largest rural municipalities have set up the office of alderman.

There are also 66 urban municipalities classified as chartered cities and towns. The major practical difference between the two latter classifications is that a chartered city has its own representative in the Storting or elects representatives together with one or more other cities, while the town elects representatives together with the county in which it is located.

The most important authorities of the urban municipality are:

1. The city or town council, which has the power of appropriation and taxation.
2. The presidency, which includes a portion of the city council membership and is the central administrative agency.
3. The mayor.
4. One or more aldermen.

Rural districts form 18 counties. Districts within a county are united in a joint organ known as the county municipality (*fylke*). Its most important agency is the county council, made up of the chairmen of the rural district councils and possess-

ing the power of appropriation and taxation. There is also a county presidency and county governor. Urban municipalities, aside from Oslo and Bergen, which constitute their own counties, are classified separately from county municipalities.

Municipal self government was instituted under legislation passed in 1837. Previous to that time municipal management was primarily the concern of the official national authority at the scene, in matters of greater importance the appropriate department, and in the final instance the king. There was no independent municipal authority. Under the laws of 1837 the municipality was granted authority over its own affairs, with the exception of instances in which the national government might prescribe community action by legislation.

The introduction of municipal self-government was of great significance in the political, cultural, social and economic development of the Norwegian society during the past century. During the years immediately following 1837 it was often officials or persons with higher education who assumed the leading positions in the community. But the new legislation tended to stimulate new groups of people to a rapidly growing interest in and comprehension of the community's problems and those of society as a whole. Not many years were to pass before all groups in the social structure were participating in municipal government. During the last generation the district councils, city councils and presidencies have been largely made up of representatives from the broader reaches of society.

The Courts

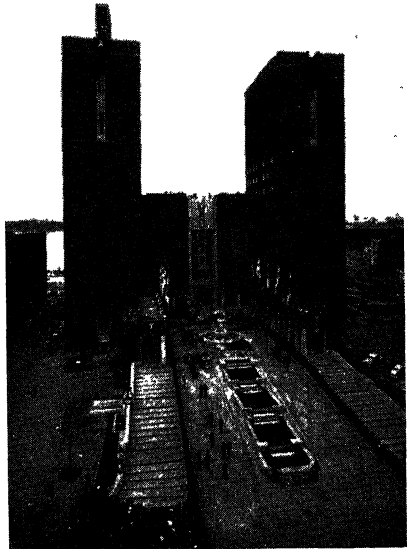
Norwegian courts are organized on three levels, city and county courts, the Court of Appeals, and the Supreme Court. The latter is the highest judicial authority and its decision is final. City and county courts are composed of a professional judge (a trained jurist) sitting as chair-

man plus two associate lay judges. In criminal trials the Court of Appeals is made up of one professional judge (*lagmannen*) as chairman, two professional associate judges and a jury of ten members. In civil trials the Court of Appeals comprises one professional judge (*lagmannen*) as chairman, two professional and four associate lay judges. The jury system is not used in civil cases before the Court of Appeals, although the lay membership constitutes a majority. The Supreme Court is composed of up to six members as specified by the Crown in each given instance. The Chief Justice (*Justitiarius*) is appointed by the King. Proceedings are oral in all instances.

Defense

Following liberation Norwegians had practically to rebuild their defenses from the ground up. While long range measures were to be based on a Defense Committee report delivered in 1949, a transitional program was set forth in a so-called three-year-plan effective on July 1, 1946. Its stated objective was to utilize war-time experiences in such a way that Norway might meet her international obligations and in case of attack be in a position to hold out alone until help arrived from her allies. Under the program four annual classes comprising 70 000 men in all were to receive training according to modern international standards. The initial training period was originally set at one year, but was later cut to 10 months for non-specialists. All able-bodied Norwegians are eligible for compulsory military training upon reaching 20 years of age.

The three-year-plan retained the war-time division of the forces into Army, Sea and Air Defense. Coast artillery has been placed under sea defenses and anti-aircraft artillery has become a part of the air defenses. Leadership at the top level has been centered in the three high commands, and cooperation between branches has been tightened through a central



The new Oslo Town Hall, dedicated in May, 1950, showing the entrance from Fridtjof Nansen Place to the banquet and entertainment rooms.

defense force staff which includes the chief of staff and the chiefs of army, navy, and air arms.

As Norway is a signatory to the mutual aid pact for the defense of the North Atlantic areas, arms assistance from the United States began to be delivered in 1950. Since 1947 Norway has participated in the Allied occupation of Western Germany, with troops stationed in the British zone.

The average annual regular and extraordinary appropriations for defense have been approximately 325 million kroner for the period 1946-50. According to the report of the defense commission, it is estimated that annual operational expenses for defense will approximate 300 million kroner.

Motivated by the Korea conflict, during

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the summer of 1950, the Norwegian Government resolved that Norway like other signatories to the North Atlantic Pact would have to accelerate its preparedness program. According to the plan set up for A-Pact members this envisioned reaching 1954 preparedness goals as early as the end of 1952. This prompted a Government proposal calling for an extraordinary preparedness appropriation of 250 million kroner over and above the budgeted sum. This amount is to be apportioned over a 30-month period: 100 million kroner for each of the budget years 1950-51 and 1951-52, and 50 million kroner for the first half of 1952-53. Two additional appropriations were necessary during the 1950-51 period: 6 million kroner for the chartering of a ship to participate in the joint U. N. action in Korea, and 3 million kroner for a preparedness fund to help meet defense costs during 1952-53.

The Government's proposal met with the unanimous approval of the Storting, which passed the appropriation without amendment and practically without debate. The Storting went even further, declaring that should international developments make an additional appropriation necessary, it would be open to the Government's proposals—this in view of difficulties in establishing the sum needed for use over such an extended period.

In outlining the background for the above appropriation, Defense Minister Hauge revealed that Norway has spent 1250 million kroner on defense during the past four years. This corresponds to a yearly appropriation of 313 million kroner or 3.35 percent of the Norwegian national income—a figure which will mount considerably with the new appropriation. Norway, it was stated, no longer comprises a military vacuum.

Defense costs during the 1950-51 fiscal year are being met by means of a 10 percent increase in taxes, a 25 percent rise in liquor prices, and increased duties on chocolate and confections.

International Relations

Norway is one of the countries receiving Marshall Aid and is one of the 12 lands which have joined in a mutual assistance pact for defense of the North Atlantic Area (North Atlantic Pact). As a recipient of Marshall assistance, Norway is also a member of the Organization of European Economic Cooperation (OEEC). Norway is a member of the Council of Europe and has been one of the United Nations since that body was founded.

Trygve Lie, a Norwegian, is United Nations Secretary General. From 1935 to 1939 he was Norwegian Minister of Justice and was later appointed Minister of Supply. Shortly after establishment of the Norwegian Government in London during the war, Lie was named Norwegian Foreign Minister and held that office until February, 1946, when he was named Secretary General to the United Nations. He is a lawyer by profession.

Before, during and following the First World War, Norway has tried to the extent of its capacity to assist the needy in various parts of the world, as well as those who were forced to flee home and country because of their political or religious beliefs. This feeling was given its clearest expression in the impressive relief work which the Polar explorer, scientist, and humanitarian Fritjof Nansen organized under the League of Nations for the aid of Eastern Europe and for political refugees following World War One. Although Norway was hard pressed after the last war, it has nevertheless managed to extend material and other aid to needy lands and people, particularly in Middle Europe and Palestine. This relief work is organized under a special institution known as *Europahjelpen* (European Relief).

The Labor Movement and the Employers' Association

The largest labor organization in Norway is the Norwegian Federation of Trade

Unions, which by the end of 1949 counted 470 000 members. Founded in 1899, its membership is divided among 39 trade unions. Aside from fishermen, manual workers in all trades are members of the federation, as well as other groups including national and local government employees and office workers in private business.

Employers are also organized. The major employers' group is the Norwegian Employers Central Confederation, taking the lead among other independent employers' bodies, including employers' associations for the paper industry, the shipping trade, and forestry. Labor unions negotiate contracts with these employer organizations. There is also a considerable number of employers and businesses remaining outside the organized field, with which unions sign contracts individually. As a rule, however, these agreements are on terms adopted by the central organizations. The majority of contracts are worked out between the individual union and the federation on one side and the Norwegian Employers Confederation and its branch organizations or members on the other. No complete statistics on the number of contracts signed by the end of 1949 are available, but between 7 and 8 thousand agreements have been negotiated.

Employment

Maintenance of full employment has in recent years emerged as one of Norway's most vital economic-political objectives. Since the war, employers have succeeded in providing jobs for all, with a marked shortage of labor in many fields—particularly agriculture. The number of gainfully employed rose by some 135 000 between 1945 and 1949. An additional increase was noted in 1949. Figures based on health insurance statistics show an influx of 13 000 new workers between the end of the third quarter of 1949 and the same date for the previous year. Of the above-mentioned 135 000 workers, 85 000

were absorbed by industry, 35 000 by building and construction trades, 15 000 by business, hotel and restaurant enterprises, and 10 000 by land transport and shipping. During the first two years after the war employment in agriculture dropped by some 35 000 but has remained relatively stable since then.

Only 2 500 job seekers were registered in the summer of 1949—the lowest number on record. Seasonal unemployment during February–March 1949 involved only 14 000 workers. This is the lowest winter unemployment figure on record.

Unemployment insurance was launched in legislation passed in 1938. All persons covered by the compulsory health insurance program—excluding household servants, fishermen, and loggers, among others—are covered by the law. A bill has now been introduced calling for legislative amendments opening unemployment insurance to farm workers and loggers. Individuals earning more than 9 000 kr. yearly may not receive unemployment benefits, although special provisions apply to seamen engaged in overseas traffic. By the end of 1948, 575 200 workers were covered by these unemployment provisions, in addition to 25 000 seamen. Because unemployment has been limited since the program was adopted in 1938, the Unemployment Insurance Authority now possesses considerable reserves. By the end of 1949, a total of 263 000 000 kr. was laid up in an Unemployment Insurance Fund after 78 000 000 kr. had been set aside for financing new projects and some 45 000 000 kr. deposited in a National Reserve Fund. Legislation passed in 1946 permitted 78 000 000 kr. from the Project Fund and 5 000 000 kr. from the National Reserve Fund to be used for launching and supporting projects for mitigating or combating unemployment by creation of new job opportunities and for new vocational training projects. These funds can also be drawn upon for both direct assistance to unemployed workers and for work resumption programs, and are intended to protect the

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country against unemployment if and when it occurs.

Under the law of 1947 governing projects to stimulate employment a labor directorate was established, and steps have been taken to develop a nationwide organization of rural and municipal labor boards which can handle local unemployment problems.

Prices, Wages and Cost of Living

Since the war a major objective of Norwegian domestic economic policy has been to stabilize the relationship between prices and wages to the greatest possible extent, and with it living costs. Developments during the occupation made it necessary to assume a continuing lack of balance between the availability of goods and purchasing power, bringing heavy pressure to bear on the price level. In addition, there has been a considerable increase in prices of imported goods.

To avoid drastically reducing purchasing power, which might lead to an undesirable distortion of income distribution and possibly unemployment, it was seen necessary to continue the strict and extensive price control which had gone into effect during the war. Post-war controls are based on enabling legislation and extend into all branches of business and industry—covering not only production and sale of all types of goods, but fees and services, real property and rents as well. Another reason for extensive regulation has been to prevent a redirection of production which might be harmful to the recovery program. Had price regulations applied only to the most necessary items it would have been easier for producers to turn away from them to concentrate on less important goods and luxury items.

Extensive as this regulation has been, however, it alone would not have been enough to hold the stabilization line. A most important supplement has been the price adjustment program and government subsidies to reduce consumer prices. During the years since liberation the

Storting has appropriated a total of 2 173 300 000 kr. for price subsidies.

Had there been no price subsidy program, it is estimated that the cost of living during these four years would have risen from 35 to 40 points. This would have forced higher wages and higher production costs, leading, in turn, to still greater price increases. The wage-price spiral would thereby have been touched off and serious inflation could have been an immediate result. Price subsidies have brought about an indirect adjustment in distribution of income. Because of progressive tax-rates higher incomes pay a relatively greater proportion of subsidy costs, but the benefits are enjoyed by all. Necessities of life which receive primary support also mean more for the lower than for the higher paid consumer.

The following are some of the basic items the prices of which have been reduced by subsidies:

Milk
Butter
Margarine
Flour
Sugar
Coffee
Beefsteak

Price increases in Norway during and following the recent war have been considerably less than during World War One, when Norway was neutral. From December, 1914, until the top of the price curve was reached in September, 1920, the wholesale price index rose by some 270 per cent, and the cost of living index rose almost 200 per cent between 1914 and 1920. From the end of 1939 to June, 1949, the greatest registered increase in the wholesale price index had been approximately 86 per cent, with a 62 per cent rise in the cost of living.

It should be noted, however, that this extensive and detailed regulation of prices which has been the source of much political tension and conflict during the post-war years is intended purely as a temporary measure.



Norway is a skiing paradise, as is clear from this winter scene from the eastern part of the country.

Without effective control, price regulations could easily become hollow directives. Under the price law, control authorities are charged with the actual controlling of prices as well as with the formulation of regulative provisions. Under separate legislation passed in 1948, however, an independent control organ, known as the State Price and Rationing Inspection, was set up under the Department of Justice. Breaches of price directives can be punished by fines or up to 3 years imprisonment. Those found guilty can also be denied the right to operate their businesses for a period of from one week to 5 years. In addition, the government is given authority to confiscate the earnings illegally derived.

Figures on average hourly wages earned by adult men in certain occupations during the third quarter of the years 1938 and 1948, prepared by the Central Bureau of Statistics, show the increase in wage levels during the 10 year period.

	1938 kr. per hour	1948 kr. per hour
Export Industries	1.61	3.08
Other Industries	1.71	3.14
Craft (Artisans)	2.16	3.40
Paper Industry	1.43	2.85
Mechanical Industries (Journeyman)	1.76	3.16
(Apprentices)	1.42	2.88
Mining	1.46	2.96
Public Railways (Contract)	1.85	3.67
(Day labor)	1.49	2.61
Telegraph (Day labor)	1.23	2.38

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	1938 kr. per hour	1948 kr. per hour
Public Roads (Contract)	1.20	—
(Day labor)	1.03	—
Port Authority (Workers on hourly wage)	1.17	2.27
Specialists and journeymen:		
Hired by the month	1.60	2.70
Hired by the hour	1.44	2.49
Laying pavement stones, Oslo	1.63	2.54

Similar figures for agriculture and logging are listed below:

	1938 kr.	1948 kr.
Farm hands with room and board, per month	48.—	216.60
Housemaids with room and board, per month	31.80	127.90
Harvest hands without room and board, per day	5.68	18.44
Logging hands without room and board, per day	5.78	19.10

Loggers and farm hands were among the poorest paid wage groups in Norway before the war. Since liberation, however, their wages and living conditions have greatly improved.

Wage increases in shipping are reflected in seamen's hiring contracts, which in 1938 stipulated 170 kr. per month as compared with 506 kr. per month in 1948.

In the interest of preventing large-scale labor conflicts and the loss of working days during the immediate reconstruction period, Norwegian authorities in London in 1945 passed regulations forbidding strikes and lock-outs and turned the regulation of wages and working conditions over to a wage board. The arrangement was worked out jointly by representatives of the Norwegian Federation of Trade Unions and the Norwegian Employers' Central Confederation. At the same time, controls were set up governing the wages of persons working on a non-contract basis. The wage board agreement was extended by the Storting in 1947, 1948 and 1949. But under the most recent of these laws the Trade Union Federation and the Employers' Confederation both reserved the right to

permit their members to resort to strikes or lock-outs with the approval of the central organization concerned. The wage board arrangement has, therefore, terminated in principle for the two major organizations, but continues in force for other labor and employer groups.

Since liberation, Norway has been practically free from extensive and disrupting labor conflicts, a factor of great significance for the reconstruction program.

Housing Construction

Housing has been one of Norway's most serious problems since 1945. Destruction during hostilities added to normal replacement needs, as well as the fact that building practically came to a halt in most parts of the country during the war, have made heavy demands on the building trades. Other contributing factors may be found in the increased population—especially among people of marriage age—and increased incomes since liberation. The demand for new apartments has been extremely great, especially in the capital and other cities.

In 1945, the government set forth a program for the construction of 100 000 apartments during the four years to come. A building census on April 1, 1949, showed that 43 865 new apartments had been built by that time. Of the 14 500 units then under construction, it is estimated that most were completed by the end of that year. In other words, post-war building had totalled some 60 000 apartments, or $\frac{3}{5}$ of the goal set. Several things hindered the program, primarily shortages of material and men. The same census showed total housing needs—in addition to units already built—to be approximately 105 000 apartments, with 25 000 required in Oslo alone. The building supply situation improved noticeably during 1949. In 1946 the government established a separate Home Loan and Building Bank (*Husbanken*) which issues loans and provides subsidies for home



The Norwegian coast is cut by rugged fjords. A coastal steamer makes its way along one of the narrow branches of a fjord in western Norway.

builders as a means of keeping rentals and payments at reasonable levels.

Social Policy

Social reform in Norway has continued at an increased tempo since liberation with the full support of all political parties. In 1947 the Storting unanimously passed legislation instituting a three-weeks vacation for all wage-earners. The law covers approximately 900 000 employees, and was the first law for a universal three-weeks vacation in any country. The 48-hour week is general throughout practically all industry and business. Prewar welfare programs have been improved and a number of other social benefits have been introduced since the end of the war. This

development is clearly reflected in the increased budget of the Department of Social Affairs. The department's budget was 93 000 000 kr. in 1938-9 but rose to 305 800 000 kr. for 1950-1.

Social security expenditures for 1949-50 are listed below:

	Kr.
Child Care	607 000
Emergency domestic services	385 000
Old age pensions	87 000 000
Child allowances	63 000 000
Aid to blind and disabled	3 200 000
War pensions	19 000 000
Health insurance (grants)	26 500 000
Seamen's pensions	1 500 000
Aid to widows and children of seamen	500 000
Poor relief	1 500 000
Total	203 592 000



The Vigeland sculptures in Frogner Park, Oslo, comprise one of the largest outdoor exhibitions in the world. In the foreground the fountain which was the starting point for the whole project.

The total representents about 64 kr. per inhabitant. Under the old-age pension regulations, every Norwegian citizen of 70 years or more is entitled to old age assistance. The amount is determined by the municipality of residence but the minimum is stipulated by national legislation. The law was passed in 1936, but legislation passed in 1949 increased the minimum figure, providing a basic yearly payment for single urban residents of 840 kr. and 720 kr. for those living in rural areas. The minimum is 50 per cent higher for married couples than for individuals. An additional sum is provided for each child under 16 years of age, as stipulated by the department in each municipality. A large number of municipalities are granting pensions considerably above the legal minimum. Should the insured have other sources of income—such as income from capital—the pension payment is reduced on a scale set forth in the basic legislation. Old age pension costs are

shared by the local and national governments under the so-called old age fund. The latter is financed by a tax which from January 1, 1949, amounted to 1.2 per cent of the assumed gross income.

The child stipend law passed in 1946 stipulates that all who are responsible for the support of more than one child and who are legal residents can claim a yearly stipend of 180 kr. for each child under 16, beginning with the second child. This stipend is paid regardless of income, resources or occupation of the breadwinner, and for children born in or out of wedlock, adopted children, foster children or stepchildren. One of the parents, however, must be a Norwegian citizen. For orphaned children the stipend is also granted for the first child, and the same applies when the parents are divorced, when one of them is deceased, or when the parents are not married and the child is cared for by one of them. Costs of the program are borne jointly: $\frac{7}{8}$ by the national government and $\frac{1}{8}$ by the municipality of residence. There are no premiums or special taxes; the cost is borne out of general revenue funds. The program currently covers an estimated 400 000 children, comprising a total yearly expense of approximately 72 million kroner.

Compulsory health insurance was instituted under a law of 1909 and it is estimated that more than 70 per cent of the total population is now insured. The program provides approximately full coverage for doctor and hospital, loss of income, and family and maternity allowances.

At the present time accident insurance for industrial workers, for fishermen and for seamen is covered under three separate enactments. For injuries suffered as a result of accident, the law entitles the insured to free medical and hospital care, and income and family allowances for the time that treatment continues. Should the accident result in lasting disabilities a pension is paid to the insured for the remainder of his life. In event of death,

allowance is made for the widow and children and in certain cases for the parents. Industrial accident insurance covers some 300 000 workers; seamen's accident insurance, 50 000; and fishermen's accident insurance, 110 000. Accident insurance covering industrial workers and seamen is financed by premiums, $\frac{2}{5}$ of which are paid by the fishermen themselves, $\frac{2}{5}$ by the government and $\frac{1}{5}$ from an accident fund.

During the war, regulations were issued governing war pensions for military and civilian personnel, and were established by law in 1946. Benefits are, by and large, governed in the same manner as under the accident insurance program. Allowances, however, are somewhat more generous. Military and home front personnel, and others who have been particularly exposed to accident in time of war, are grouped in the highest category. Thereafter follow seamen, fishermen and other civilians. Costs for military personnel and others in the highest category are borne by the government. Expenses for the remaining categories are covered by a tax of 1 per cent of assessed gross income levied on all persons paying an old age pension tax.

In 1948, the Department of Social Affairs presented a plan for coordinating and developing the various programs into a Social Security System. This system would, to the greatest extent possible, provide full security against loss of income due to factors beyond the control of the insured. Social security would be organized as a unit and would be based on a general social-security tax of 3 per cent on assumed gross income. It is planned to develop the program in separate stages. To date, however, the matter has not been placed before the Storting.

Public dental insurance—up to now generally limited to children of school age—has in effect not included $\frac{2}{3}$ of the children in rural elementary schools. Under a Government proposal which has been presented to the Storting, however, children and adolescents in all parts



Borgund Stave Church in Sogn, which dates from the year 1150. Stave churches are unique to Norway.

of the country between the ages of 6 and 18 will receive free dental care. Here, again, the department plans to develop the program in stages. The legislation further provides that adults will also be provided dental care—to the extent the dentists' time permits—at fees set by the department.

Education

Elementary school attendance is compulsory for all children between the ages of 7 and 14 and all costs of their education are borne by the public. So-called continuation schools for children between 14 and 16 years of age offer one year general or technical courses. Continuation schools have not yet been established in all municipalities. In addition, there are several

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types of so-called young peoples' schools (*Ungdomsskole*) offering general training, plus a number of trade and technical schools. Since 1935, considerable legislation has been adopted providing a new and modern foundation for the school system. The war and its after-effects have prevented realizing all these reforms in practice. A comprehensive ten-year-plan for the development of the school system was presented by the Department of Religion and Education in 1948. It called for a total investment of 1 100 000 000 kr. in school buildings during the coming 10 year period. University and college building programs are included in the above figure.

Rural elementary schools alone are expected to require 500 million kroner in new buildings if they are to attain the level stipulated by the elementary school law of 1936. The need for new school buildings and for new teachers will increase sharply during the immediate future, as an increasing number of children are seeking post-elementary education and the number of school age children is increasing. In elementary schools alone the number of pupils is expected to rise from 290 000 in 1948-9 to 400 000 by 1954-5, and the peak is not expected before 1958.

Applications for admission to higher schools (including *realskoler* and *gymnas*, comparable to secondary schools and junior colleges) have risen markedly during and since the war. Students in these groups have approximated 35 000 a year, and between 4 and 5 thousand students pass the university entrance examination (*eksamen artium*) each year. Only part of them, however, continue to universities and colleges.

Norway has two universities, one in Oslo founded in 1811 and a new university in Bergen. There are four other educational institutions at the same academic level: the Norwegian Institute of Technology in Trondheim, the Agricultural College of Norway at Aas, near Oslo, the Norwegian State Dental School, Oslo, and

the Norwegian College of Economics and Business Administration, Bergen. Government appropriations to scientific organizations and for specified scientific projects have increased from 12 600 000 kr. in 1939-40 to 41 500 000 kr. in 1949-50. The government has placed particular emphasis upon assuring gainful employment for young scientists and has granted scholarships for specialized study abroad. In addition, some 2 400 students have been granted foreign exchange for studies abroad covering one year or more. In 1949 Norway had over 550 students studying in the United States, a figure greater than that for any other European land.

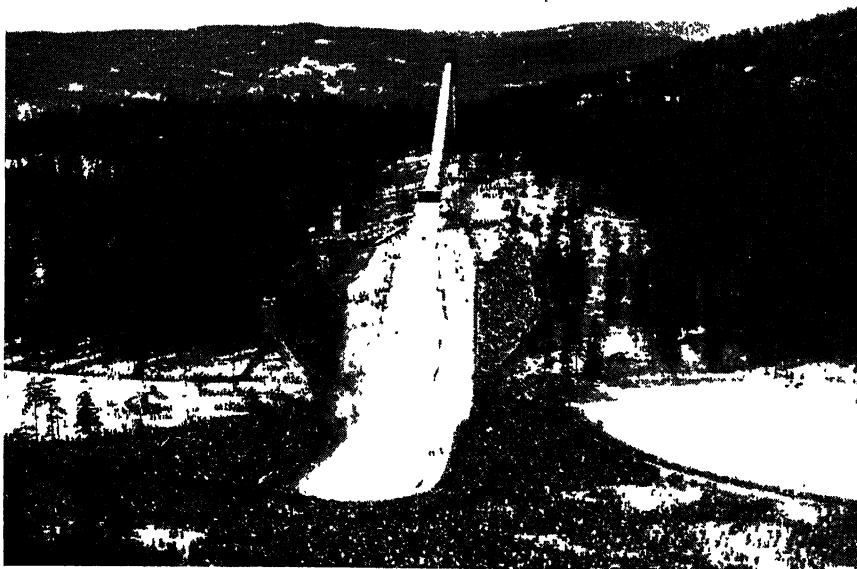
Among many projects for bringing foreign students to Norway is the University of Oslo's Summer School for American Students. Under this program some 240 Americans have enjoyed six weeks of study in Norway each year since 1947.

Transport, Post, Telephone, Telegraph and Radio

In Norway all railways are owned and operated by the state. Trackage presently totals 6 885 mi. and of this distance 644 mi. are electrified. Rolling stock was badly worn by the end of the occupation, and postwar investments have not yet been sufficient to bring rolling stock back to its pre-war quality. Though railway traffic has increased sharply since the war there is reason to believe that it has not yet reached its peak.

Steamer traffic along the extensive coast is maintained by private and county-owned companies—several receiving national government support. The same applies to principal bus lines. Bus transportation is well developed and represents an important factor in a country of great distances and a terrain poorly suited for railway construction. There are some 70 809 mi. of road in Norway.

Since the war, the government has appropriated 3 700 000 kr. for the development of airports, and through Norwegian



Holmenkollen Ski Jump, conveniently located only a few minutes from downtown Oslo, is the site of international competitions every winter.

Airlines (D.N.L.) and a large private air transportation company, Norway has entered the international air freight and passenger field. Postal and telegraph services are government operated and the same applies to the long distance telephone. Part of the local telephone network, however, is operated by private companies. The telephone system has been steadily modernized and expanded, mainly through introduction of automatic exchanges. By May, 1949, at least 65 000 persons had ordered and were waiting for new telephones to be installed.

Broadcasting in Norway has been government operated since 1933. There is a central station in Oslo and 15 local stations in various parts of the country. Registered listeners had passed the 700 000 mark by 1949. Operation is based

on a license system—under which the owner of each receiver pays 20 kroner yearly—as well as on certain other levies. The broadcasting company's operating budget in 1947–48 totalled 20 600 000 kr. Broadcasts of political propaganda are not permitted and commercials have been discontinued since the war. Otherwise broadcasting authorities are extended complete freedom in setting up their programs. Reviews of political debates in the Storting are often transmitted and, especially during election years, round table discussions between members of opposing political parties have met with wide listener interest. It is stipulated that all parties be permitted to take part in these discussions and that coverage of political debates be unbiased and objective.

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The Press

A total of 199 newspapers were published regularly in Norway in 1948. Of this total 94 were dailies, 5 were published 4 times weekly, 57 every other day, 41 every third day and 2 weekly. Their political alignment was as follows: Conservative 50; Liberal 49; Labor 42; Agrarian 17; Communist 2; Christian Democrats 1, and Independent and non-political 38.

The Norwegian Telegram Bureau (N. T.B.), which is owned jointly by the newspapers, is the largest news bureau. It is semiofficial in character although having absolutely no connection, financial or otherwise, with the government. The larger foreign press services such as Associated Press and United Press maintain their own offices and correspondents in Oslo, and distribute considerable news material to Norwegian papers throughout the country.

The Church in Norway

The Church of Norway is a typical national church with official recognition extended the Evangelical Lutheran denomination. The vast majority of the people belong to the state church. Bishops and clergymen are officials in the public service and are appointed by the King in Council. The country is divided into 8 bishoprics and 532 clerical districts. In certain clerical districts as well as in the larger cities and rural municipalities, however, additional clergymen may be appointed. As of 1946 there were some 120 000 persons outside the state church—or between 3 and 4 per cent of the population. Of these, there were 23 000 who professed no religious faith whatsoever, while the remainder were divided as follows: Pentecostal 24 750; Unaffiliated Lutheran denominations 19 750; Methodists 11 100; Baptists 8 900; Roman Catholics 4 900; Seventh Day Adventists 4 600.

Literature

Nineteen-Forty-Nine will be remembered as a year of literary anniversaries in Norway. Festivities were marked by the publication of anniversary and jubilee editions, and many of the national classics were presented on the stage and radio. It will also be remembered as a year when Norwegian literature suffered a painful and heavy loss in the death of Sigrid Undset, Norway's greatest contemporary writer.

It is only natural to begin with Alexander Kielland, whose 100th anniversary was celebrated at many official meetings and commemorations. Kielland remains one of the greatest stylists in Norwegian literature in his strong and elegantly phrased social novels appearing during the latter part of the nineteenth century. He created a tradition which is still living. Johan Falkberget, one of the grand old men of Norwegian literature, celebrated his 70th birthday in 1949. He was honored with a "people's gift" of 160 000 kroner—proof of the gratitude of the public. He has written some of the country's most stirring narratives, based on Norwegian mining districts in the Middle Ages.

Arnulf Överland's poetry ranks with the best in Norwegian literature. Celebrating his 60th birthday in 1949, Överland is already a Norwegian classic despite his early radicalism and revolutionary tendencies.

Helge Krog also celebrated his 60th birthday. His dramas, which are part of the regular repertoire in all Scandinavian theaters, carry on Henrik Ibsen's and Gunnar Heiberg's rebellious and powerful tradition.

The most, as well as the best, Norwegian literature in 1949 was published during the hectic three months before Christmas. This short and intense period of book production is in many respects peculiar to Norway.

At least four or five authors delivered works which stand out above the average. First and foremost is possibly Finn Hav-

revold, whose novel "Skredet" ("The Avalanche") has received unanimous recognition. Another young author who has come to fore this year is Kåre Holt. In his novel "Det store veiskillet" ("The Great Crossroad") he goes back to April 9, 1940, when the Germans came to Norway as conquerors, and shows how the choice which all Norwegian citizens faced on this date has become a great crossroad in Norwegian thinking. Aksel Sandemose, who belongs to the elite of Norwegian prose writers, has produced a unique novel in his "Alice Atkinson og hennes elskere" ("Alice Atkinson and Her Lovers"). His theme comes from the war years and the German occupation via letters written by a young Norwegian flier after the liberation of Norway, and unfolds an unusual triangular story in an atmosphere of espionage. The novel is filled with fantastic and grotesque situations and is spiced by a criminal theme of high literary standard. Another novel based on the war years is Nils Johan Rud's "Vi var jordens elskere" ("We Were Lovers of the Soil") in which he describes the great difficulties facing the returning soldier.

Theater

Norwegian theater reflected to a certain degree this same jubilee atmosphere, stemming in part from the Oslo National Theater's 50th Anniversary celebrated in September. The National Theater's season included the works of such Norwegian classic authors as Henrik Ibsen, Ludvig Holberg, and Bjørnstjerne Bjørnson. The theater has experienced a period of rich development since the war which has been particularly noticeable in Oslo, Bergen, Trondheim and Stavanger. A new theater—the Riksteatret—was also launched in the course of the year with government assistance. The latter is a road-theater which will bring the best in stage plays to people living in outlying districts possessing no permanent theater. The new travelling company has already

become highly popular. In addition to its own works, Norwegian theater has a sharp eye for worth-while current drama in other lands. Modern and classical English plays as well as modern American successes have been very popular in Norway since the war. Works of American and British dramatists presented in Norway since 1945 include those of Eugene O'Neill, Noel Coward, Somerset Maugham, Tennessee Williams, Thornton Wilder, John Steinbeck, Maxwell Anderson, J. B. Priestly, George Bernhard Shaw, Arthur Miller, and Robert Ardrey; plus, of course, Shakespeare, Ben Johnson, and Sheridan.

Motion Pictures

Some 99 motion pictures in all have been produced in Norway to date. It is estimated that nearly one resident in four has to see a Norwegian-made film to make it profitable. There are 403 motion picture theaters in Norway—out of which 170 are municipally owned, 125 associated, and 86 owned by private companies. This total falls, however to satisfy the demand. Due to geographical conditions it is still impossible for all Norwegians to attend movies. Recently, however, the government has completed plans for touring cinemas to overcome this natural drawback and bring films to more isolated parts of the country. In the summer of 1949 two very successful Norwegian films were produced, both based on new Norwegian novels: "Døden er et kjærtegn" ("Death is a Caress"), a story of crime and passion, and "Gategutter" ("Street Boys") based on the escapade of a boys' gang in Oslo during the depression following the First World War. They were both of high artistic standard, and were highly successful.

Municipal movie theaters in Norway today own two municipal film rental bureaus: *Kommunenes Filmcentral A/S* and *A/S Fotorama*. These two organizations handle approximately 40 per cent of film rentals in Norway at the present

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time. The remaining 60 per cent is divided among 22 private concerns, of which seven are American firms distributing the footage of parent companies.

Nobel Peace Prize

The Swedish engineer and inventor Dr. Alfred Bernhard Nobel stipulated in his will that one of the five annual awards comprising income from the main fund of the Nobel Foundation should be awarded as a peace prize by a committee elected by the Norwegian Storting. In the words of Dr. Nobel's will, the prize is to be awarded, "To the person who shall have most or best promoted the fraternity of nations and the abolishment or diminution of standing armies and the formation and extension of peace congresses."

The prize is awarded each December tenth on the anniversary of Dr. Nobel's death. It may be divided equally between two prize winners and must be awarded at least once every five years. The first award was made in 1901. It may also be given to institutions, which has been done on several occasions. The committee is composed of five members elected by the Storting—three at one time and two at another, with elections taking place at the last Storting session of each election term. Three alternates are elected every third year.

The Nobel Peace Prize for 1949 was awarded to Lord John Boyd Orr of England for his work in the development of F.A.O.—The United Nations Food and

Agricultural Organization—and for his resulting contribution towards the eradication of need and poverty in the world, two of the major causes of war.

The 1950 Nobel Peace Prize was awarded the American Dr. Ralph Bunche by the Storting's Nobel Committee. The award was made in recognition of his successful mediation in the Palestine conflict following the assassination of Count Folke Bernadotte. This is the first time that a representative of the colored race has been extended this high recognition.

Tourist Travel

Norwegians have always been fond of travelling abroad and, in turn, enjoy welcoming foreign guests to their land. Since the middle of the last century, when visiting Englishmen discovered its appeal, Norway has been popular with tourists. The English were probably among the first regular visitors to be charmed by the beauty of the Norwegian fjords and mountains, the midnight sun, and the rare beauty of summer in Northern Norway. In recent years, tourists of all nationalities, particularly Americans, have been coming in increasing numbers.

The tourist industry suffered severe material and financial losses during the war, but the capacity of Norwegian hotels has now returned to its earlier level. Income from foreign visitors totalled 100 million kroner in 1948 and 84 million kroner in 1949.

SWEDEN

The Country

Sweden is the third largest European country in land area outside of Russia, exceeded only by France and Spain. It is somewhat larger than the state of California. It consists of roughly three-fifths of the Scandinavian Peninsula and two large islands in the Baltic Sea.

	SWEDEN	FRANCE	U. S. A.
Area (1 000 sq. mi.)	173	212	3 022
Land	158		2 997
Water	15		45

More than half of the land area is wooded and less than one tenth is arable. A long country, measuring 978 miles from north to south, there is great variation in climatic and geographic conditions. The greatest width is 310 miles. The following table compares the nature of the land with the U.S.A.:

	SWEDEN	U. S. A.
Forest	55 %	33 %
Arable Land	9	17
Meadow	3	
Unreclaimable, swamps, etc.	34	50

Sweden is exceptionally rich in lakes and waterways, together they cover 8.6 per cent of the country's area. There are twelve rivers with drainage basins ranging from 4 000 to 10 000 square miles. Two of them are more than 250 miles long. The largest and longest rivers are in the north half of Sweden.

The biggest lakes are Vänern (third largest in Europe), Vättern, Mälaren, and Hjälmaren.

The People

Sweden's population is 7 000 000 (est. 1950), which represents a 100 per cent increase in the last 100 years. Industrialization has brought with it an ever-increasing concentration of the popula-

tion in urban centers. In 1850 only 10 per cent of the population was urban, but now the comparable figure is 43 per cent.

The urban population is distributed over 132 cities and towns, of which one half have more than 10 000 inhabitants. The largest of them are:

	Population 1950		Population 1950
Stockholm	733 000	Örebro	65 000
Gothenburg	349 000	Uppsala	61 000
Malmö	189 000	Vasterås	57 000
Norrköping	84 000	Borås	57 000
Helsingborg	71 000	Linköping	53 000

The population is more homogenous racially and religiously than in most other countries. Language minorities amount to only 0.7 per cent and are made up of about 34 000 Finns (1931) and 10 200 Lapps (1945) in the northern parts of the country.

The following table shows the distribution of the population according to major occupations:

	No. of People	% of Population
Industry and crafts	2 510 000	38
Agriculture and related occupations	1 867 000	28
Commerce	781 000	12
Civil Service and pro- fessions	593 000	9
Communications	525 000	8
Miscellaneous	237 000	3
Total	6 647 000	100

Sweden is relatively sparsely populated, with an average density of 44 to the square mile as compared with 49 per square mile in the U.S. and 196 in France. More than 65 per cent of the people aged 20 to 65 are married. The life expectancy is among the highest in the world.

The section on Sweden has been edited by The Swedish Institute for Cultural Relations.

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Agriculture

About 90 per cent of the arable land in Sweden is privately owned. Business concerns own 4 1/2 per cent, the Church, communes, and foundations 4 1/2 per cent, and the government 2 per cent.

Of the total population, 1 400 000 people derive their living from farming and cattle raising. This represents about 28 per cent of the people, a reduction from 75 per cent in the 1870's.

Swedish agriculture is characterized by small, family-owned farms. Of the 414 000 separate holdings, about three-fourths have less than 25 acres of arable land (1944), and only 1.8 per cent were 125 acres or more.

Many of the small farms are incapable of supporting a family, and some 170 000 of them are so-called part-time farms. They provide additions to incomes derived primarily from work in the forests.

There are also about 100 000 agricultural units in Sweden which are the proprietor's sole source of income but which do not provide an adequate living. The large number of such farms is one of the most difficult problems of Swedish agricultural policy, and one of the measures applied toward solution is combination into larger farms.

Less than one farm in five is rented. Cultivation is intensive and few countries are believed to have a higher yield per acre. The small size of farm units, however, complicates the use of mechanical aids at the same time as a shortage of labor requires greater mechanization. The government supports mechanization by various means, including encouragement of farm-machinery pools.

Grain crops formerly occupied the largest cultivated area, but fodder crops have advanced into first place during the last decades. More land has also been put into use for pasture and grazing. Scientific plant breeding has produced high-yield and hardy strains of wheat, by means of which wheat cultiva-

tion has been extended nearly to the arctic circle. The most common grain is oats. Potatoes are the most important root-crop and are cultivated throughout the country. Sugar beet raising is confined to southern Sweden and the crop is nearly equal to the domestic demand. About 45 per cent of all agricultural income comes from milk and milk products.

The major part of agricultural products are marketed through co-operative organizations, affiliated with a central body. Although the movement is of relatively recent origin, nearly every farmer is now a member of such an organization. These producers' co-operative groups are independent of and not to be confused with the consumer co-operatives (see Co-operative Movement, page 144).

Despite the relatively small proportion of arable land, progress in scientific farming has made Sweden practically self-sufficient in basic foods. Self-sufficiency is deliberately encouraged by government agricultural policy.

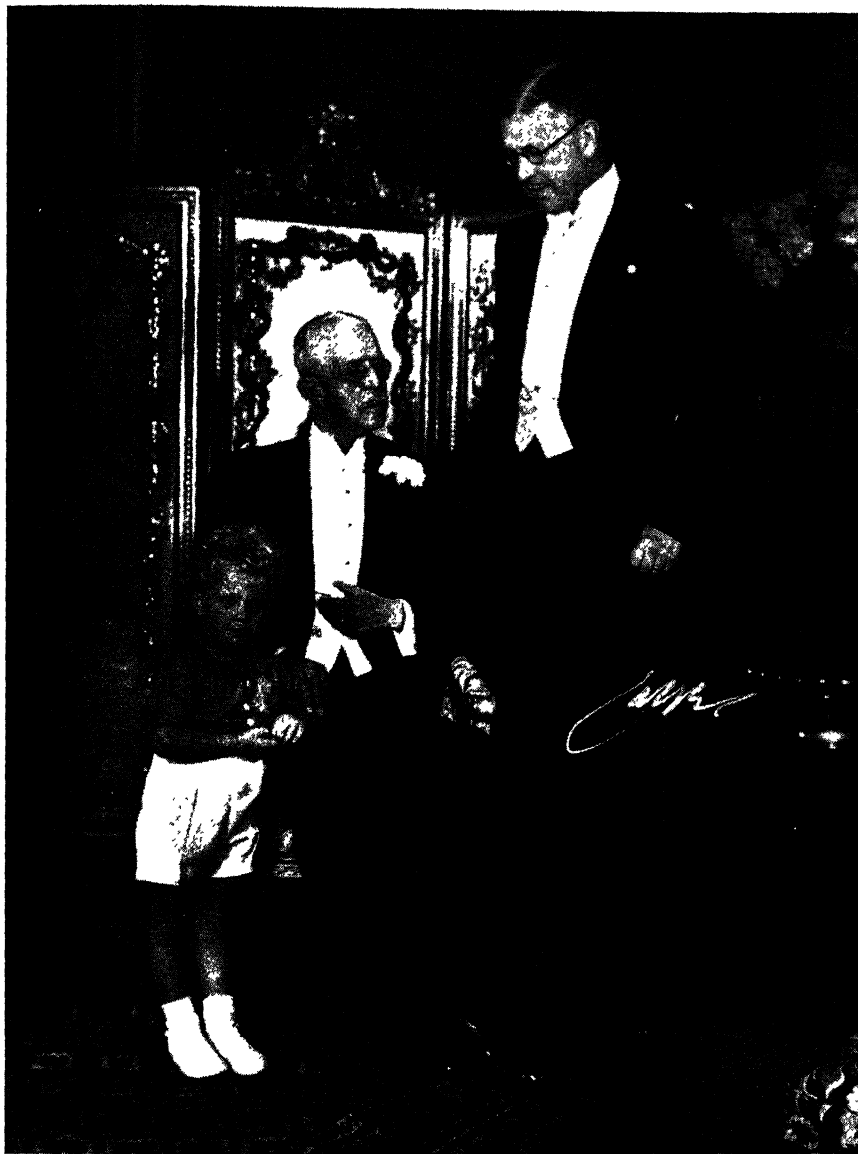
Fishing

Salt water fishing employs about 13 000 people full time and another 10 000 part time and yields an annual catch valued at more than \$ 8 000 000. The fresh water catch is estimated at \$ 3 600 000 annually.

Resources and Industry

Swedish industry is currently characterized by a steady increase in both productivity per worker and total production. Industry still centers around three main resources: iron ore, forests, and water power, and is 95 per cent private enterprise.

New investment and improvements in productive efficiency have been especially noticeable since the war, when it was possible to resume expansion and replacement.



Three generations of rulers: the late Gustav V (seated), King Gustav VI Adolf, and Crown Prince Carl Gustav, heir to the throne.

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New industrial capital investments in plant and machinery—although restricted by import difficulties and government regulation—totalled about two billion dollars between 1946 and 1949 alone. Productivity per worker per hour rose 15 per cent between 1939 and 1948. Total production in 1949 was 4 per cent greater than 1948, and almost 90 per cent over the 1935 figure (according to the index of the Federation of Swedish Industries).

Swedish industry is primarily free enterprise, and although the government is active in some fields it is responsible for only 5 per cent of total industrial employment. Regular business enterprises (corporations, partnerships, privately or family-owned concerns) account for 91 per cent, cooperative enterprises for 4 per cent.

Forests and Forest Products

Forests, covering more than half the surface area, are probably the country's greatest single source of wealth, accounting for an estimated one-seventh of the national income of 26,500 million crowns annually. Once a source principally of sawn timber, the forest industries have undergone a technical revolution and produce a great variety of vitally needed commodities. Thanks partly to the war, which cut off imports and stimulated technological advances, and partly to a limitation in the amount of raw wood available for processing, there is a steady and marked trend toward greater refinement and higher-value products.

Today, in addition to lumber and wood-pulp, of the sulphate, sulphite, and mechanically ground types, forests are a source of cellulose alcohol and other chemicals, wallboard, plastics, glue, resins, turpentine, dyes, poisons, etc. In a typical recent year sawn lumber, once the mainstay of the industry, represented only 13.7 per cent of the net product from the forest industries.

The basis of these developments is, of course, a combination of technical progress and research. The larger industries carry on their own research programs and a number of them have recently built large, modern laboratories. A new nerve center for co-ordinated research was recently dedicated in Stockholm (1949), the ultra-modern Swedish Forest Products Research Institute. It is a joint enterprise of industry and government and represents an investment of well over \$ 1 000 000.

Among the major problems occupying this laboratory and its counterparts all over the world is lignin, a binding substance in the growing tree which comprises up to 30 per cent of the log as it comes from the forest. Until a few years ago it was simply waste. A number of commercial uses have been found for lignin, several of which are being applied in Sweden, but a large share of it is still concentrated and burned for industrial power. While this represents a better economic practice than merely drawing off the substance as waste, chemists and physicists are convinced that it can be put to more valuable use. Experiments with plastics have been largely unsatisfactory to date but show some promise. When a successful commercial use is discovered for the total supply of lignin it will greatly increase the value of wood for processing.

Among the industries which have come forward in Sweden most rapidly in the meantime is wallboard. It makes use of almost twice as great a percentage of the raw log as sawn lumber and is consumed in Sweden at five times the per capita rate of the U.S.A. Wallboard is a good illustration of making a limited supply of raw material go further. In one large company 7 per cent of total sales income now comes from by-products, principally chemicals, extracted from wastes of pulp production which ten or fifteen years ago gave no yield whatsoever.

One-half of Sweden's 86 500 square



A farm in Uppland province, as seen from an ancient monastery, Skokloster.

miles of forest is owned by private individuals, one fourth by commercial enterprises, 19 per cent by the government, and the balance by the church, local governments, and associations.

Products of the forest industries normally comprise one-third to one-half of Sweden's exports, and it is necessary to protect this vital source of income. Unlike Canada, the U.S., and the Soviet Union, there are no longer virgin forests in Sweden of importance. Cutting must be based on a permanent, more expensive policy of forest cultivation, on a crop basis, in other words. Only in the long range is it possible to reckon with an increased supply of timber.

Cutting and conservation are regulated by law. Special commissions carry on extensive informational activities. Support is given for forest planting, drainage of swampy land, and other conservation measures. Two major research institutions, including three experiment stations, are making efforts to increase the yield per acre of forest with scientific means, including thinning, fertilization, seed-breeding, propagation of elite trees.

Quantitatively, the forest products industry is 23 times as large today as it was 100 years ago, and before the war Sweden was the world's largest exporter of wood pulp. But this quanti-

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tative expansion is now at an end. Average annual pulp production reached a record high of 3 175 000 tons between 1935 and 1939. In 1947, despite the best efforts of the industry, it was only 2 815 000 tons, at about which level it is expected to continue through 1956. Current annual growth, i.e., the supply of raw logs becoming available to the forest industries each year, is estimated at 62.4 million cubic yards. Although the lumber industry as such, that is, sawmills producing only lumber, has diminished since the turn of the century, it still employs about 30 000 workers.

Mining and Metals Industries

Sweden is rich in ore with a high iron content, second only to France as an exporter of this product, and has long been known for production of high quality steels. Most iron ore is high-phosphorus ore mined for export in Lapland, near the Arctic Circle, and in central Sweden. Low-phosphorus ore is found principally in central Sweden. The latter is especially suitable for domestic processing into high-quality steels and alloys. The country has an important deposit of pyrite ores, yielding also some gold, silver, and copper, as well as more arsenic than any other mine in the world. Zinc ore is mined at Ämmeberg, principally for export. Hard coal production covers only a fraction of the country's requirements. There are both petroleum and uranium bearing shale deposits.

Iron ore exports vary greatly from year to year, reaching a record level of 12 800 000 tons in 1949. Annual domestic pig iron production is being increased at a rate of from 694 000 tons in 1947 to 1 300 000 tons in 1952, ingot production from 1 190 000 to 1 950 000 tons annually during the same period. In 1947 Sweden produced 3 900 pounds of gold and 46 000 pounds of silver.

Mining and the metals industries are Sweden's largest industrial grouping,

embracing 5 631 concerns employing 230 000 workers in 1915.

Hydro-Electric Power

Sweden's current annual production of 18 billion kilowatt hours of electrical energy is among the highest per capita in the world, and water resources have been of great importance to industry in a country short of coal. Electric power has begun to replace coal to a substantial extent even in steel production. Expansion of electrical energy production is proceeding rapidly, from 9 billion kilowatt hours annually before the war to 21 billion by 1953. Private companies supply about 55 per cent of all power. Something more than a third of the total energy is produced by industry for its own uses.

Decentralization

A striking aspect of Swedish industry is its decentralization. A number of enterprises are, to be sure, located in or near the capital and other major cities, but manufacturing is unusually widely distributed throughout the country. This is particularly true of products carrying strong elements of individual craftsmanship such as glass and furniture, but even heavy industries, including steel mills, are often found in comparatively small towns. This helps to maintain beautiful surroundings and increases the outdoor life and recreation available to industrial workers.

The relatively large number of small to medium sized industrial enterprises appears in the following grouping of manufacturing concerns by size (1945):

Number of Workers	Concerns	Workers In Thou- sands	Percent- age
Up to 10	13 617	59.9	9.4
11-50	6 265	139.2	21.8
51-100	1 038	73.1	11.4
101-200	624	88.1	13.8
201-500	361	110.6	17.3
501-1 000	123	81.6	12.7
Over 1 000	46	86.9	13.6

Shipping

Sweden has 1 502 ships with a gross tonnage of 2.0 million (1948), one of the dozen largest merchant fleets in the world. About half of Swedish imports and exports are carried in Swedish bottoms.

In 1939 Sweden's merchant fleet numbered 1 320 ships totaling 1 534 000 gross tons, representing 2 per cent of the tonnage of the world and making the fleet the tenth largest. One third was lost during the war. Although transoceanic traffic was completely suspended at times, an important part of the merchant fleet went into freight service outside the European blockade. This and extensive mining around the Swedish coast were responsible for the large losses. New boats could be constructed so rapidly, however, that the total tonnage reached the pre-war level as early as the beginning of 1946. New production means continuous modernization, and the quality of the present merchant fleet compares favorably with that of other nations. Old ships are being replaced with sleek, high-speed combination passenger-cargo boats, which maintain scheduled services to both North and South America and the Far East. The newest of these ships makes the New York—Gothenburg run, for example, in seven days, which is as fast as the speediest passenger liners.

Stockholm is the principal importing harbor, Gothenburg leads in exports and in trade with transoceanic countries. Malmö, in southern Sweden, is the third largest port.

Foreign Trade

Sweden's foreign trade has always been highly multilateral, with an excess of imports from some countries and an excess of exports to others. Before the war, European countries were Sweden's best markets, taking three-fourths of all exports and furnishing two-thirds of all



Most deep sea fishing is based on ports on the west coast of Sweden. Here are fishing boats tied up in the picturesque Smögen harbor.

imports. The most important pre-war supplier was Germany, the most important customer was England (about one-fourth of Sweden's total export). The U.S.A. ranked second among suppliers.

The Swedish economy is highly dependent on international markets and equally sensitive to changes and dislocations in foreign trade. Imports and exports run to some two billion dollars annually and variations in Swedish economic conditions are often induced by changes in the import-export picture.

Free foreign trade is of vital interest to Sweden. As a result of the country's isolated position during the war, more or less cut off from her principal markets, there was a powerful rush of imports when channels were re-opened after the war. Exports, on the other

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hand, did not immediately reach the expected levels as a result of materials and labor shortages. Before the war Sweden could cover a large part of its import requirements from German suppliers and, with its sterling exchange from sales to Britain, finance its trade deficit with the U.S. and South America, but post-war developments have taken a different direction. Germany practically disappeared as a supplier and because of Great Britain's economic difficulties the pound sterling was made inconvertible into dollars as of August, 1947. As the increased Swedish imports centered principally around the U.S.—source of about 24 per cent of Sweden's total imports in 1946—the natural result was a sharp diminution of the country's foreign exchange reserves, bringing with it extensive import limitations in 1947. During 1948 and 1949 the majority of Sweden's foreign trade was once again with other European countries, which furnished 67 per cent of Swedish imports and bought 75 per cent of Swedish exports.

A better balance in the Swedish economy made possible increased exports during 1949 and 1950. Exports and earnings abroad again reached a level in excess of imports and other payments. There was, in other words, a balance in over-all trade, but because of the nonconvertibility of certain currencies the dollar shortage persists. The relaxations in trade restrictions undertaken by the so-called Marshall Countries have had great importance for increased trade between Sweden and these countries.

Sweden's foreign trade, like her industry as a whole, has a natural and close relationship to her major resources, timber, iron ore, and water power. The three dominating export industries are lumber and woodworking, paper and pulp, and iron and steel.

Sawn lumber was Sweden's most important export item from about 1850 until it was surpassed by wood pulp in

the present century. Today, although there is still an important trade in lumber, the tendency is toward shipping it in more highly refined form. Swedish modern furniture has found markets in a number of countries, for example, and pre-fabricated houses have been sold throughout the world. Australia was recently added to the list of customers for pre-fabricated houses, with an initial purchase order of 700 units.

In the woodpulp industry, chemical pulp is of far greater importance than mechanical—ground—pulp. Chemical pulp, of both the sulphite and sulphate types, predominates even more in the export market, while a considerable part of the mechanical pulp produced in Sweden goes to domestic manufacture of newsprint. Chemical pulp is generally processed into better grades of paper, rayon, and other fibers. In 1948 Sweden exported 213 000 tons of mechanical pulp, 1 595 000 tons of sulphite pulp, and 563 000 tons of sulphate pulp, dry weight.

The paper industry as such is relatively independent of the pulp industry proper. Most paper mills are independent companies operating their own pulp mills. Every variety of paper and board is produced in Sweden but the biggest mills specialize in newsprint and wrapping paper. Sweden is the world's leading exporter of such wrappings, kraft and sulphite wrapping paper, greaseproof wrappings, imitation parchment, etc. Swedish mills also manufacture all kinds of board for graphic and industrial purposes, fine writing and printing paper, coated papers, tissues, etc. Export of all types of paper and board from Sweden was 612 000 tons in 1949.

Metals and metal products still account for one-third of all Swedish exports, although the eighteenth century was known as the great age of the Swedish steel trade. At that time sales abroad were principally bar iron of the "Walloon" and "Lancashire" types—Swedish charcoal wrought iron—manu-



Thousands of rivers, lakes, and channels furnish cheap transport for Sweden's greatest natural resource, wood. Here is timber floating in northern Sweden, where the biggest forests are found.

Foreign Trade by Principal Commodities:

	<i>Imports</i>			<i>Exports</i>		
	Percentage			Percentage		
	1939	1948	1949	1939	1948	1949
Foodstuffs	14 %	16 %	15 %	7 %	3 %	4 %
Chemical products	9	7	6	3	3	3
Textiles, hides and skin, rubber and products thereof	19	21	22	3	1	1
Products of the forestry industries	2	2	2	38	51	45
Metals and products thereof	33	31	31	34	33	36
Fuel and minerals (including coal, oils, etc.)	18	20	20	14	8	9
Other goods	5	3	4	1	1	2
Total	100	100	100	100	100	100

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factured at a large number of small ironworks in Bergslagen, central Sweden, and other points. Today manufacture is carried on at a much smaller number of modern iron and steel plants and, although Sweden's relative position in the international steel markets has no longer the same importance, the country retains a valued reputation for high quality steels of a variety of types. As high as 11 million tons of iron ore per year is exported from Lapland mines.

In recent years iron and steel have been exported more and more in the form of manufactured products like ball bearings, separators, machines and motors, electrical motors and apparatus, refrigerators, vacuum cleaners, and kerosene stoves. They have a reputation for quality in the international markets.

The Constitution

Sweden has long been a constitutional monarchy. The throne is hereditary but may be occupied only by males.

Technically the king possesses the governing power, but he is required to consult the cabinet in making decisions, which to be effective must have the counter-signature of the minister in question. The elected representatives of the people in the riksdag, or parliament, alone possess the power of taxation. Legislative power is exercised jointly by the riksdag and cabinet.

The king is now bound by the strength of political parties in the riksdag in the selection of cabinet ministers; the form of government is parliamentary, in other words. The position of the cabinet is decisive in the exercise of governmental power. Cabinet decisions are usually made in preliminary sessions, a practice not specified in the constitution. Final action is taken in a weekly cabinet meeting with the king, known as the King in Council, usually every Friday at the palace, which consists almost without exception of a mere formal recording and signing of decisions.

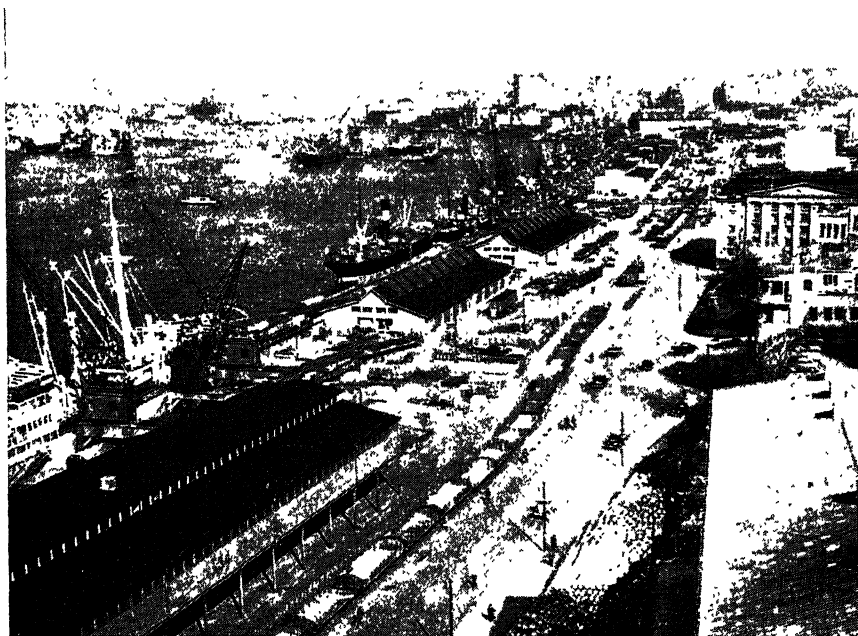
Guaranteed Individual Rights

"The King shall maintain and further justice and truth; prevent and forbid iniquity and injustice; he shall not deprive anyone or allow anyone to be deprived of life, honor, personal liberty or well-being, without legal trial and sentence; he shall not deprive anyone or permit anyone to be deprived of any real or personal property without due trial and judgment in accordance with the provisions of the Swedish law and statutes; he shall not disturb or allow to be disturbed the peace of any person in his home; he shall not banish any person from one place to another; he shall not constrain or allow to be constrained the conscience of any person, but shall protect everyone in the free exercise of his religion, provided he does not thereby disturb public order or occasion general offense. The King shall cause everyone to be tried by the court to the jurisdiction of which he is properly subject."—Article 16, Swedish Constitution.

This old-fashioned paragraph, which can be traced to the old provincial law of the fourteenth century, is the Swedish "Bill of Rights." It has been permitted to remain unchanged because there is general agreement that the rights and freedoms of citizens are fully guaranteed either in this or other law or by tradition. Freedom of the press is guaranteed in another paragraph. (See Press.)

The New King

On October 29, 1950, at 8:35 a.m., King Gustav V died peacefully at Drottningholm Palace, at the age of 92 and in the 43rd year of his reign. During the many years of his rule he had led the monarchy safely through a social revolution. He was not only beloved by his own people, but was a popular figure abroad. Many remember him for his participation in tennis matches under his tournament



Part of bustling Gothenburg harbor, Sweden's largest port. There are regular freight and passenger services from here to every continent of the world.

name "Mr. G." He continued playing tennis until he was 88 years old, against medical advice.

On October 30 Gustav V was succeeded by his son, Gustav Adolf, who took the name Gustav VI Adolf. Like his father, he abstained from a formal coronation in taking office, and selected the royal motto "Duty Above All." Gustav VI Adolf was born on Nov. 11, 1882. His wife and the new queen is Louise, formerly Princess of Battenberg (Lady Mountbatten), born on July 13, 1889.

Because of the tragic death of the new king's oldest son in an airplane crash in 1947, the present crown prince and heir apparent is Carl Gustaf, born in 1946.

He is the only son of the late prince, and the king's grandson.

The Cabinet

The cabinet consists of the prime minister, chiefs for the eleven government departments, and a number of ministers without portfolio, currently four. The names of the departments and their division of duties is determined by the cabinet itself. The departments are: Justice, Foreign, Defense, Social Welfare, Communications, Finance, Ecclesiastical (Education and Religion), Agriculture, Commerce, Interior, and Civil Service.

At least two of the ministers without

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portfolio are supposed to have held civil office previously. They serve as deputy ministers of one or more departments. At present one of them handles matters in the departments of Justice, Defense, and Finance, while another serves as "church minister" within the Ecclesiastical Department. The top assistant to a minister in charge of a department is a permanent secretary. Tage Erlander has been prime minister since 1946 and the foreign minister is Östen Undén. Both belong to the Social-Democratic Party, which has been the dominating political party since 1932.

The Riksdag

The Swedish Riksdag, or parliament, consists of two chambers. Members of the second chamber are elected directly by the people and of the first chamber by local government bodies.

Members of the second chamber are elected for four-year terms. All Swedish citizens at least 21 years old at the beginning of the year are eligible to vote, except those responsible to a guardian. To be eligible for office a candidate must be at least 23 years old and eligible to vote in the district from which he seeks election.

There are 230 members in the second chamber, and seats are distributed among the voting districts according to population. The election system is proportional according to the relative strength shown by political parties. Elections are held the third Sunday in September.

Members of the first chamber are chosen by the provincial legislative bodies (*landstinget*) and the councils of the six largest cities. The term of office is eight years, but membership is constantly subject to change because about one-eighth of the seats are renewed each year. There are 150 members and the minimum age for election is 35 years.

The two chambers are legally equal in power, but it is clear that the political

center of gravity lies in the chamber elected directly by the people.

There are nine standing committees prescribed by the rules: Foreign Affairs, Constitution, Appropriations, Taxation, Banking, Agriculture, and three committees on laws. The Riksbank (Bank of Sweden) has been administered by a board chosen by the Riksdag and a chairman chosen by the government ever since it was established in 1668.

National Income and Government Spending

The gross national income for 1948-9 was estimated at 26 500 million kronor. The budget of the national government for the fiscal year July 1, 1948, to June 30, 1949, estimated receipts from all sources at 5 014 million kronor, or 22.2 per cent of the national income.

In times of prosperity the government is pursuing a policy of over-balancing the budget, as appears in the 1950-51 budget following:

Income	Millions of kronor
Income tax	2 337
Customs receipts	230
Automobile tax	400
Tobacco tax	430
Alcoholic beverage tax	566
Other taxes and receipts	1 035
	<hr/> Total 4 998
Expenditures	
Defense	842
Social welfare	1 447
Roads and communications	355
Education	574
Agriculture	439
Other expenditures	1 182
	<hr/> Total 4 839

Government policy during and since the war has been anti-inflationary. Prices were frozen in 1942 at a level of 151 on the index (1935 = 100) and by 1948 had climbed only 16 points, to 167. Wages meanwhile rose from 144 to 215 during the same period, an increase in purchasing power of more than 30 per cent.



The modern plant of the L. M. Ericsson telephone company on the outskirts of Stockholm. Swedish industry is highly decentralized, and small towns may have important manufacturing plants.

Organized labor participated in a voluntary wage freeze for two years, but as of the last quarter of 1950 negotiations for substantially higher wage rates had gotten underway. During the same time price controls were maintained, and corporations were required to deposit a certain part of their profits in savings accounts with the Bank of Sweden. Nevertheless, pressure on prices has been steady since the devaluation of the Swedish crown in respect to the dollar in the autumn of 1949, following England's lead. The former rate was 3.60 kronor to the dollar, the current rate is 5.18 (1950).

The government attempted to check the price rises resulting from devaluation by a program of subsidies on import products. By the autumn of 1950, however, the new wave of international price

increases again brought heavy pressure to bear on Swedish prices.

Although some rises in prices appeared to be inevitable as of the end of 1950, the government proposed new taxes to the autumn session of parliament in an effort to limit purchasing power.

Sweden and the Marshall Plan

Sweden's share in the multi-billion dollar Marshall Plan to date (autumn, 1950) has been 118.9 million dollars. This sum has been received partly in the form of an interest-bearing loan (20.4 million dollars in the fiscal year 1948-49) and partly in the form of so-called conditional aid (98.5 million dollars). The latter type of aid requires Sweden to make an equivalent amount available to other countries in Swedish kronor. (It may be added

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that 21.6 million dollars of the conditional aid has been received within the framework of the European Payments Union during the fiscal year 1950-51.) None of the money received, therefore, is an outright gift. An important part of the dollars received under the conditional aid system offsets, for example, Swedish grants to Norway for the purchase of ships in Sweden.

Sweden's relatively limited participation is logical in view of the fact that she was not involved in the war and her economy at war's end was in a sufficiently strong position to permit extensive gifts and credits to other European countries. The economy is closely integrated with the rest of Europe, however, and suffered from the general post-war maladjustment, including a drain on dollar reserves. This and a desire to co-operate in every effort to strengthen the European economy resulted in a government decision to join the Marshall Plan. In accordance with the OEEC plan, more than 50 per cent of Sweden's trade with Marshall countries has now been released from quantitative restrictions, and there is a current effort within the framework of the Paris organization to raise the figure to 75 per cent. Petroleum products are the largest single item in the list of commodities imported with Marshall Plan dollars, followed by machine tools and industrial machinery.

Sweden has also participated in the efforts for closer economic co-operation between England and Scandinavia known as Uniscan.

Taxes

Income and property are both taxed directly in Sweden by both the national and local governments and there are a variety of national excise taxes.

National income taxes are levied at a steeply progressive rate ranging up to 73 per cent on the largest incomes while local taxes are levied at a flat percent-

age rate. Both are collected at the source, the so-called pay-as-you-go plan, but all tax-payers are required to declare their income and property in February following the taxable year. On the basis of this return additional taxes are levied or refunds made. Since 1948 there has been no national tax deduction for dependents. Instead, the mother of children under 16 receives an annual grant of 260 crowns for each such child.

Relatively heavy taxes on spirits and tobacco, ranging up to 80 per cent of retail price, are among the excise taxes yielding the greatest revenues. Beer and soft drinks, cosmetics, moving picture and theater tickets, gasoline, and phonograph records are some of the other items subject to excise taxes.

Typical income tax rates (national and local combined) in Stockholm:

Income per month in Swedish kronor	married kr.	unmarried kr.
100	2	2
300	31	20
500	79	59
1 000	235	180
1 500	403	328
	%	%
2 000	32	28
5 000	44	41
16 000 and up	58	57

National Administration

One of the most characteristic features of the Swedish form of government are the central administrative agencies or authorities. They are independent of the various departments and operate according to the general "instructions" given them in the law. They can be assigned duties by the government, and, of course, their authority rests finally with the Riksdag and government. These agencies and authorities are empowered and enjoined to exert their own initiative, to issue directives, to employ lower-salaried civil servants, to carry out inspections, to rule on appeals, to conduct investigations, and to issue policy recommendations.

The basic law for organization of central administration and some of the

agencies date from the seventeenth century, for example, the treasury, which is still the most important monetary authority. During the nineteenth century, agencies were established for prisons, highways and waterways, state railways, telegraph and telephone, agriculture, government-owned forests, government hydro-electric development, and others. Between the turn of the century and the First World War a number of new agencies were added, principally to execute modern welfare policy. They included the Board of Social Welfare and the Board of Pensions. Government activities have again expanded during and after the Second World War, and among the new agencies are the Labor Market Board, the Board of Vocational Education, and the Board of Housing. There are now about 50 central agencies, not counting such wartime emergency offices as the Food Commission, the Fuel Commission, and the Price Control Commission.

Local Administration

The country is divided into 24 provinces (*län*) comparable to the French departments. Each province is administered by a provincial council with a governor as chief executive. Stockholm functions as an independent unit under its own governor.

The provincial councils and local government officials, with authority each within their sphere, are elected by popular secret ballot.

Powers of the local governments, known as "communes," had been extensive ever since 1862 and were broadened considerably in 1948. Local governments have long been responsible for public education and poor-relief, and in recent decades have acquired additional responsibilities in the field of social security and welfare.

Defense

Swedish land forces consist of a conscript Army in which every citizen is

subject to duty from the age of 19 to 47 years. The general period of training since 1948 has been 12 months—nine in the first period of service followed by three periods of one month each, spread over a number of years. Commissioned and non-commissioned reserve and conscript officers are given an extra year and an extra six months of training respectively. Permanent regiments are primarily training and equipment centers, manned by professional commissioned and noncommissioned officers.

The mobilization machinery is such that both line and reserve units can be organized unusually fast. Every individual man has his wartime station and his secret orders even in time of peace. Mobilization can be set into motion instantaneously, either publicly or through non-public channels. The mobilization machinery of reserve units is highly decentralized.

The peacetime organization consists of 19 infantry regiments and an equal number of other types of units. The wartime organization is based on self-contained infantry and armored combat groups (brigades) which can be arranged in divisions according to the needs of the situation. The mobility of line units has been increased since the Second World War by decreasing the number of horses and increasing the number of powered vehicles, together with the provision of special units for transportation of bicycles. Fire-power has been increased, partly by means of new equipment, partly by reorganization. Local defense units, consisting chiefly of older conscripts, are less mobile, because of economic considerations.

A Home Guard, or militia, was organized early in the Second World War, consisting principally of volunteers under or over the military age. It is continually kept in readiness, and in time of war could make use of conscripts not needed elsewhere. There are well-developed organizations for training volunteer women and Red Cross personnel.

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The army is divided into seven corps areas.

The Swedish Navy was greatly expanded during the Second World War but has since retired a number of older units. The navy consists of operational groups, which include two newly built, 7 400 ton cruisers with completely automatic 15 cm. guns. The Navy now has four cruisers, of which two are older and smaller, 13 destroyers, 6 torpedo boats, 18 motor torpedo boats, 24 submarines, 2 destroyer hunter-killers, 15 patrol boats, 2 mine layers, 46 mine sweepers, and other units. Three older "pocket battle-ships" of 7 000 tons each and with 28 and 15 cm. guns are part of the local fleets. The navy has several bases, of which those in Stockholm, Karlskrona and Gothenburg are the most important. The proportion of regulars in the navy is greater than in the army. Naval conscripts train 12 months at a time during peace.

The permanent coast artillery is extensive and is located principally on the islands protecting naval bases. There is also mobile coast artillery.

The Air Force, with a peacetime strength of 17 combat groups (Brit. wings), organized in 4 wings (Brit. groups) and 5 base areas, has been and is still being strengthened. The operational units include 10 day fighter groups, one all-weather fighter group, 4 attack groups, and one complete reconnaissance group and one incomplete. Day fighter units are equipped with an increasing number of jet fighters, comprising British-built Vampires, and the Swedish-built J-21 R, both in the 500 m.p.h. class. A new and much faster Swedish-built jet fighter, the J-29, with a top speed of 650 m.p.h., is being delivered. For all-weather fighting duties, the well-known British Mosquito is used. For attack purposes, the Swedish-built J-21 A (a piston engined forerunner of the J-21 R), and twin-engined B-18's are now in service, the latter having a top speed of 355 m.p.h. Their armament consists of bombs, rockets, and 13 mm. to 57 mm. guns. Reconnaissance units are

made up of specially equipped Spitfires and long-range twin-engined Swedish-built S-18's.

The flying personnel of the Air Force consists of regulars, while the majority of ground personnel are conscripts with a total training period of 12 months.

Command of all military forces is unified under a single commander-in-chief. More detailed information about wartime strength of the forces is not available. The wartime organization does, however, largely fill the demand for total mobilization.

Sweden and the United Nations

The question of Sweden's membership in the United Nations was raised in the Parliament by a government bill on March 8, 1946. The Parliament approved, and Sweden applied for membership in a telegram to the secretary-general on Aug. 9, 1946. Following approval by the Security Council and the proper committee, the General Assembly approved the application on Nov. 9, 1946. The necessary documents were signed by the foreign minister in New York on Nov. 19, and at a meeting of the General Assembly the same day Sweden took its seat.

In a speech delivered on that occasion, the foreign minister emphasized Sweden's strong desire to support peaceful solutions of international problems. As a member of the United Nations, Sweden accepted important limitations on its freedom of action whenever solidarity was required to avert threats against the peace. The foreign minister further emphasized that Sweden, as a member of the League of Nations, had already been among the countries most active in behalf of far-reaching efforts for international arbitration and mediation. Therefore, Sweden welcomed the establishment of the international court which succeeded the comparable organ of the League of Nations. Sweden raised the strong hope that the provisions in the

charter of the United Nations for the peaceful solution of international disputes would be so applied by the security council that the peoples of the world would acquire confidence in its impartiality and justice.

The foreign minister also expressed Sweden's satisfaction over the prospects for participating in international co-operation in various fields within the framework of the United Nations.

As of 1950, Sweden was chosen a member of the UN's economic and social council for a period of three years.

Sweden is a member of the following special agencies:

International Labor Organization (ILO)

Food and Agriculture Organization of the United Nations (FAO)

International Civil Aviation Organization (ICAO)

Universal Postal Union

World Health Organization (WHO)

International Telecommunication Union (ITU)

World Meteorological Organization—International Meteorological Organization

United Nations Educational, Scientific and Cultural Organization (UNESCO).

Council of Europe

An invitation to the Swedish government at the beginning of 1949 to join in the formation of a Council of Europe was accepted at once. The Council was intended to be an association of European democracies which accept the principles of government by law and of human rights and basic freedoms. It has as its aim the promotion of economic and social progress as well as cultural co-operation. It was only natural, therefore, that Sweden was one of the countries which signed the articles of the Council of Europe in London on May 5, 1949.



A typical summer landscape from a balcony in northern Sweden.

Sweden's Aid to War-Ravaged Countries

Swedish aid to other European countries in the last years of World War II and the years immediately following it has been estimated officially at more than 3 000 000 000 Swedish crowns, or \$ 714 000 000. This is the equivalent of \$ 119 per person.

Sweden was spared involvement in World War II and the subsequent occupation suffered by her less fortunate neighbors. Both the government and the people accepted as a matter of course a responsibility to do all in their limited power to alleviate the ravages of war. One form of relief work began long before war's end—the admission and care of refugees, of whom there were nearly 300 000 by the end of 1944. The government appropriated \$ 24 000 000 to assist in their care alone.

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Relief work in the late stages of the war and immediately following it consisted principally of food, medical supplies, and clothing sent to the other Scandinavian countries, Greece, and the Netherlands and was financed by credits or gifts from the Swedish government. Relief work after that time was aimed at relieving hunger and disease in war-devastated countries, much of it in the form of daily meals for as many as 300 000 children in Norway, Finland, Germany, Austria, Hungary, Rumania, and Yugoslavia. Sweden is still supplying such meals in some of these countries (1949-50). The government also granted a major credit (one billion kronor) to the Soviet Union, but since it was intended to be used over a period of several years it is not included in the following summary of wartime and post-war Swedish aid to other European countries:

Government gifts	\$ 119 000 000
Private gifts (approx.)	\$ 143 000 000
Government credits	\$ 464 000 000
Total	\$ 726 000 000

Sweden and the Korean War

North Korean troops attacked the Republic of Korea on June 25, 1950. The same day, the United Nations Security Council adopted a resolution stating that a breach of the peace had taken place. The Security Council appealed urgently for the cessation of hostilities and withdrawal of the North Korean troops back of the thirty-eighth parallel. On June 27 the Security Council was able to establish that the North Korean authorities had not responded to the resolution. The members of the United Nations were therefore urged to provide such assistance to the Republic of Korea as required to repel the armed attack and re-establish international peace and security within the area.

In a telegram on June 30, the secretary general of the United Nations called

the attention of the Swedish government to both resolutions and asked to be informed if it was in a position to furnish any help. In its reply on June 3, the government stated that it acquiesced in the Security Council's statement that North Korea was guilty of a breach of the peace, regarded it as important that the attack should not lead to success, and would consider the possibilities for means of help. On July 20, the secretary-general was informed that the Swedish government had decided to equip and send a field hospital to the Republic of Korea as the most practical form of assistance at its command.

The hospital, which was organized by the Swedish Red Cross, was activated at the end of September. Originally conceived as a half-mobile hospital with 200 beds, it became instead more of a permanent hospital with 400 beds, located in Pusan on the south coast of Korea. The government appropriated 10 million kronor (almost 2 million dollars) to finance the hospital, which is expected to function so long as hostilities continue.

Political Parties

The Social-Democrats are the largest political party, holding an absolute majority in the first chamber of the Riksdag and just under half the seats in the second chamber.

The 1948 elections to the second chamber were preceded by an unusually intensive campaign, but it did not lead to any decisive change in relative political strength. The Social-Democrats lost three seats and the Communists seven. The People's Party (liberal), which had led the opposition parties in the 1946 local elections, increased its total of seats from 26 to 57 and became the second largest political bloc in the chamber. The Conservatives lost 16 seats and the Agrarians 3.

Percentages of total popular votes in



Modern Stockholm apartments overlooking Lake Malaren. Sailing is a popular summer sport, and all Swedes who can own a boat of some kind.

the 1948 elections were: Social-Democrats, 46.1 per cent; People's Party, 22.8 per cent; Agrarians, 12.4; Conservatives, 12.3; Communists, 6.3. Eighty-three per cent of eligible voters went to the polls, the highest figure in history. The previous record was 74.5 per cent.

Political strength in the Riksdag in selected years:

	Second Chamber			
	1922	1937	1947	1949
Social-Democrats	99	112	115	112
People's Party	41	27	26	57
Agrarians	21	36	35	30
Conservatives	62	44	39	23
Communists	7	11	15	8

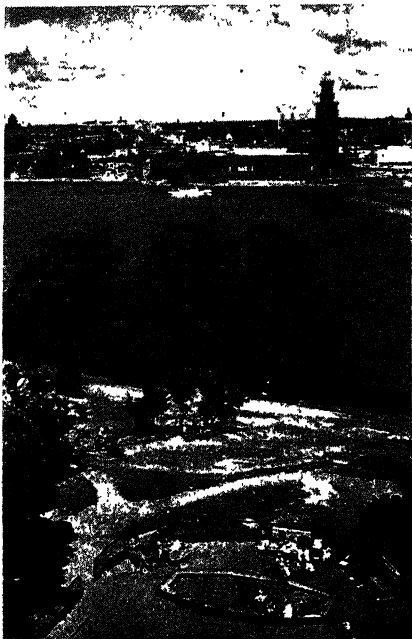
	First Chamber			
	1922	1937	1947	1949
Social-Democrats	50	66	86	84
People's Party	38	16	14	18
Agrarians	18	22	21	21
Conservatives	41	45	25	24
Communists	1	1	3	3
Independent			1	

Labor-Management Relations

Swedish labor-management relations are noted for the peaceful settlement of disputes and the high degree of organization of both employees and employers.

Peace has been achieved principally by voluntary means, notably in the Saltsjöbaden Agreements of 1938, revised in 1947. The top labor and management organizations committed themselves to seek every possible peaceful method to settle disputes and established procedures toward that end. The right to strike or lock out, however, remains unimpaired, and may still be called into play when other means fail. There was a major, prolonged strike in the metals industries in 1945, causing a loss of more than 11 000 000 man-days of work.

One government organ, however, the seven-member Labor Court, is import-



Lake Mälaren and the Town Hall form an impressive backdrop for children at play in a Stockholm city park. All the major cities have extensive parks, with emphasis on facilities for children.

ant to the stability of labor-management relations. Collective bargaining contracts are binding under the law, and it is the function of the court to interpret them in disputed cases. The court has the power to award damages for breach of contract against labor organizations, employers, and individuals. Although the members represent labor, management, and the public its decisions tend to be unanimous. It ruled on 138 cases in 1949.

The top labor organization is the Confederation of Trade Unions (*Landsorganisationen*, abbr. LO), comprising 45

national unions representing a total of 9 000 local unions (1949). The number of individual members is about 1 200 000, the majority of Swedish workers.

Salaried employees are organized in the Swedish Federation of Salaried Employees (*Tjänstemännens Centralorganisation*, TCO), which has more than 260 000 members.

The National Rural Federation (*Riksförbundet Landsbygdens Folk*, RLF), membership 165 000, represents the interests of farmers.

The Swedish Confederation of Employers (*Svenska Arbetsgivareföreningen*, SAF) has 9 972 members with 678 016 employees (1949) and is the most important management organization. It is organized in local associations and by type of business. SAF assists members in negotiation of collective bargaining contracts and, under specified conditions, assists them financially in meeting losses due to labor conflicts.

Two groups, seamen and household employees, are protected by special laws which set up basic conditions of work and protect against exploitation or abuse. Written collective bargaining contracts numbering 19 643 covered 1 073 200 workers in 1948.

How do the Swedes Live?

International statistics compiled before the war indicate that Sweden's standard of living compares favorably with other industrialized countries. Life expectancy is greater only in Holland, Australia, and New Zealand, and infant mortality is lower only in New Zealand.

The wage trend gives some indication of the development. Between 1914 and 1939 the real wages of industrial workers, i.e., purchasing power, rose by at least 50 per cent. There was a similar, but less pronounced, trend in the wages of salaried employees and the income of farmers and farm workers. Most homes, even in rural areas, are electrified. With 221 telephones to every 1 000

inhabitants Sweden ranks high in per capita telephone statistics, and it has more radios per person than any other country in Europe—an average of one set per home.

During recent years government policy has deliberately encouraged both a general raising of income levels and a gradual elimination of extremes in personal incomes.

Distribution of Income

The latest statistics show that the median income in Sweden in 1948 was 5 458 crowns per year. The level was lower in the country, 4 395 crowns, than in the city, about 6 590 crowns. Only 5 700 of Sweden's 3 385 000 recipients of income reached an annual level of 50 000 crowns or more. Only 9 per cent had an annual income of more than 10 000 crowns, 24 per cent had between 6 000 and 10 000 crowns, 36 per cent had between 3 000 and 6 000 crowns, and 32 per cent had less than 3 000 crowns. These figures are based on tax returns, which often are too conservative, especially in regard to payments in kind. A further leveling takes place in the progressive income taxes and in the various social benefits available, the vast majority of them to all citizens regardless of income or need.

Availability of Goods

Coffee is the only commodity rationed (1950), and there is no shortage of unrationed goods. Investigation has shown that consumption per consuming unit was higher in 1946 than before the war and a further increase has taken place since then.

Government Policy

Unemployment insurance, old age pensions, sickness insurance and inexpensive medical care, industrial accident insurance, housing and rent subsidies, and housing loans on advantageous terms are all aimed at guaranteeing the Swedish

citizen a reasonable minimum standard of living. There are a number of other programs, including school lunches, school dental and medical care, free vacation trips for certain economic groups, including housewives within specified income levels, and loans to set up house-keeping. There has been a legally guaranteed annual vacation for workers since 1939. The present law insures a 12-day vacation with pay for all workers, and it is considered likely that the vacation will be increased to 18 days in 1951.

Housing has been a matter of government concern in Sweden since the early 1930's, and became the subject of additional action during the last war. A total of 415 000 new units, roughly 18 per cent of the total present supply of housing and sufficient to shelter 1 300 000 people, was built during the period 1940—48. There is still an unsatisfied demand, however, estimated at an absolute minimum of 40 000 units or something like one year's production. A variety of advantageous government loans, some amounting to subsidies, have managed to keep rents at somewhere near the pre-war level.

Families with incomes under a certain level and with two or more children less than 16 years' old are eligible for special subsidies to assist in payment of rents, but only if living in modern dwellings. A worker who wishes to build his own home can, under normal circumstances, get an advantageous government loan under which the work he puts in on erection of the dwelling is regarded as his contribution to the capital investment—in other words he does not need substantial savings to erect his own home. Approximately 90 per cent of all new housing construction in cities in 1946 was financed with the aid of some form of government loan.

Despite successful efforts during recent years to concentrate new building on larger apartment types, crowding continues to be a problem. It is currently estimated that 30 per cent of the city pop-

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ulation now lives in crowded conditions, i.e., more than two persons per room exclusive of kitchen. The rural figure is only slightly smaller. Extensive research programs, partially financed by the government, are aimed at steadily improving living standards and the efficiency of new housing units.

Employment

Employment levels have been high in Sweden in recent years. During 1947, for example, the number of unemployed seeking assistance averaged as low as 2 700. In other words, there was no unemployment, practically speaking, and the current figure (1950) is about the same. Unemployment insurance is subsidized by the government, which pays almost half the costs. The remainder is made up by contributions from the workers. Government policy is aimed, however, at full employment rather than unemployment relief, and every effort is made to provide work rather than pay benefits. A program of public works is in readiness to meet any severe unemployment problem.

Health and Medical Care

Sweden has an extensive program of government subsidized, inexpensive medical care, and in addition about two thirds of the population is covered by voluntary health insurance. Health of the citizenry has been a matter of government concern since the first provincial physician was appointed some 250 years ago, and today the local and national governments have a hand in two thirds of all medical care.

The major hospitals are operated by either the national or local governments. In general hospitals for physical diseases the cost to the patient represents only a fraction of the actual cost, perhaps 15 to 25 per cent depending on the type of accommodation. Fees cover all services, including doctors' fees, which means that it is possible for a Swedish

citizen to get hospital treatment for a total cost of two or three crowns per day, substantially less than \$1. A person covered by health insurance pays nothing for hospital care, and he receives a contribution toward doctors' fees for office and home calls.

A corps of 500 provincial physicians, each with his own district, and about 1 200 public health nurses salaried by the government are responsible for the general needs of people throughout the country.

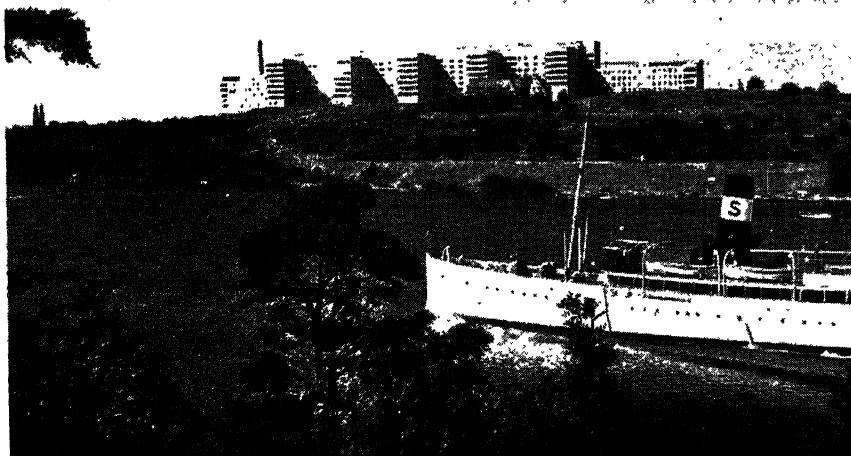
A successful campaign has been waged against tuberculosis, and treatment is independent of ability to pay. The mortality rate has been steadily decreasing, down to 0.51 per cent in 1947. There is currently a nationwide campaign to X-ray the entire population to detect unsuspected cases.

There are 988 hospitals of all types with a bed capacity of 95 751 or 13.7 beds per 1 000 inhabitants. This figure compares favorably with other modern countries. The number of doctors is 6.5 per 10 000 inhabitants and the number of dentists 4.3 (1948).

There are also programs for control and care of venereal diseases, cancer, rheumatic diseases, mental illness and the feeble-minded, epidemic diseases, and the crippled, as well as preventive programs for mothers, young children, and school children.

Doctors are trained at four different medical schools. Standards of training are high, and Swedish physicians and surgeons enjoy a good reputation in other countries. Some specialists have attracted patients from throughout Europe. There are 24 schools of nursing and a state college of public health nursing attached to the State Institute for Public Health. Medical research is supported by private funds and some government assistance. The latter is administered by a national Medical Research Council, consisting of specially chosen scientists.

A bill for compulsory health insurance,



Stockholm's largest hospital, *Södersjukhuset*, has a commanding site. As in other modern Swedish hospitals, no ward is larger than four beds. Costs of medical care are low.

free hospital care for all, rebates for costs of medicines, and the like has been passed by parliament. The scheme is likely to come into force gradually during the current decade. The insurance will pay most of the doctors' fees and cash benefits during absence from work due to illness. There is currently a perceptible shortage of doctors, nurses, and other medical personnel.

Welfare and Social Security

Two recent measures have added greatly to the government social security budget. A new old age pension law was approved in 1946, under which all persons reaching the age of 67 get an annual pension of 1 000 crowns (1 600 per married couple) regardless of need. A general

child allowance is paid to mothers at the rate of 260 crowns per child per year, regardless of need.

Welfare and social security expenditures represented 12.9 per cent of the total government expenditures in 1939, or 314 million crowns per year. In 1948 such expenditures were 1 619 million crowns, or 36.2 per cent of the national budget. This is equal to about 10 per cent of the entire national income.

This expansion is, however, still not concluded. In addition to compulsory health insurance, which is expected to add 290 million crowns a year to the budget, the government is steadily considering additional reforms.

There is an increasing tendency to regard welfare and social security measures as paying investments in the most

valuable of resources, human beings, and this expansion of the program has taken place with the participation of all major political parties and groups. The expensive recent reforms have naturally raised the question of the society's ability to bear the financial load. Both national and local taxes have been forced successively up. Progressive taxes aimed principally at larger incomes cannot meet the costs alone, and the middle class and working class have had to take up their share of the load in the form of increased taxes. The speed of further expansion will depend to some extent on the country's ability to finance it, which depends, in turn, to some extent on the rate of recovery and readjustment of the whole European economy.

Education

Education in Sweden is characterized by seven years of compulsory elementary instruction, unusually widespread and varied adult education, and universities and professional schools of high standards. Education has been compulsory in Sweden since 1842 and illiteracy, for all practical purposes, does not exist.

Education normally begins in an elementary school at the age of seven. Advanced studies are pursued by way of the *real* or middle school, followed by the *gymnasium*. The number of years spent at each of these three types of institutions can be varied according to circumstances, but totals twelve to thirteen years. Successful completion of gymnasium studies or the equivalent and passing the comprehensive *student-examen* qualify for admission to a university. It represents a level of achievement roughly corresponding to the junior or senior college year in the United States. About 4 000 candidates qualify for university entrance each year.

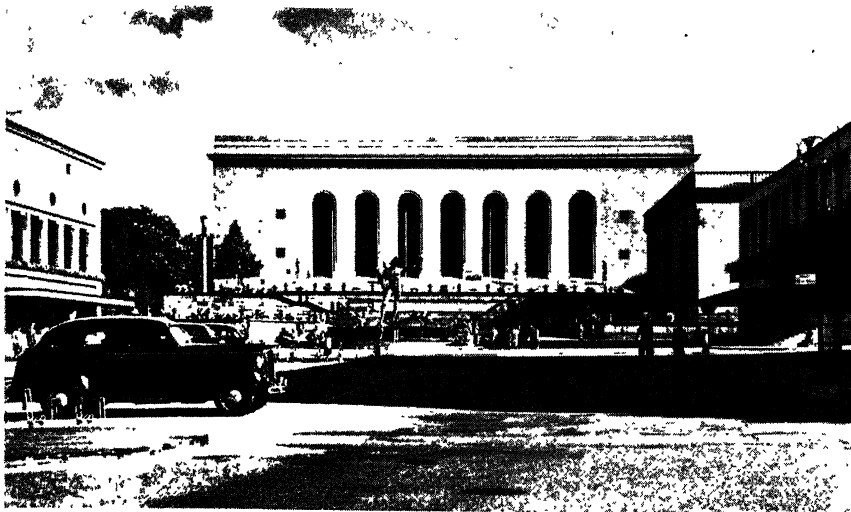
Among the most important features of elementary education is the study of

modern foreign languages, which usually begins at about 11 years of age. Swedish is spoken so little in other countries that a knowledge of foreign languages is necessary for communication—diplomatic, commercial, cultural—with other peoples. According to a Gallup poll in 1943, 6 to 7 per cent of the Swedish people had a working knowledge of English, 4 per cent of German, and 2 per cent of French. English is now the most popular of the modern languages taught in the schools.

The two oldest and best known institutions of higher learning are the Universities of Uppsala and Lund, founded in 1477 and 1668 respectively, and both offer advanced degrees in the arts and sciences. The Universities of Stockholm and Gothenburg also award graduate degrees but have fewer departments. There are a number of graduate professional colleges in special fields, including dentistry, medicine, veterinary science, forestry, commerce, arts, music, pharmacy, agriculture, and technology. The Technical University in Gothenburg, for example, offers work leading to the degree of doctor of engineering. In 1948 there were 14 000 students in the universities and professional schools, of whom 3 250 were women.

So-called people's colleges provide a less comprehensive form of advanced education than the colleges and universities. The basic course is usually one year, they are co-educational, and appear principally in rural areas. Popular movements such as the co-operatives, nonconformist groups, temperance societies, and the labor movement as well as official organizations like the Church of Sweden have sponsored and operate some of the people's colleges. There are now a total of 59, enrolling more than 7 000 students annually.

Adult education has developed to a large extent on the initiative of popular movements but 50 per cent of administrative costs are now subsidized by the government. There are a network of



Göta Square, Gothenburg, a cultural center with the City Theater (left), City Museum (center), and Concert House (right).

15 000 study circles throughout the country with a student body of almost 250 000. Government aid in the form of subsidies makes possible a large number of public lectures (nearly 7 000 annually, average attendance more than 100). Foreign languages are among the most popular subjects. There are 1 500 free public libraries, 2 000 school libraries, and about 5 000 study circle libraries. More than 20 000 000 volumes were loaned to almost 1 500 000 readers in 1947. This represents an average of three books for every man, woman and child.

In 1950 the parliament passed a bill providing for extensive reform and modernization of the whole educational system, including an increase in compulsory education to nine years. The new law is based on almost a decade of study and investigation by a special commission. The provisions, which are being put into

effect gradually, call for replacement of classical educational procedures with more practical and active methods, provision of expert psychological assistance to the schools, and a greater emphasis on child and adolescent psychology in teachers' education. The national government would bear educational expenses to the greatest possible extent, but local governments would have wide freedom in directing their own educational systems.

Experimental activity with the proposed nine-year basic school was begun in thirteen selected school districts in the autumn of 1949. Additional districts are to be added successively. Other committees have been working on pre-school training, university education, and student welfare problems. Recommendations of the university committee have already led to increased research appropriations and the expansion of certain professional colleges.

Co-operative Movement

The Co-operative Union (KF) is the second largest organization in Sweden, exceeded in size only by the Confederation of Trade Unions (see page 137—8). The Union now has a membership of almost one million (1950), representing nearly half the families in the country, and operates 7 300 retail stores. Co-operative stores handle about 14 per cent of all retail sales and the manufacturing companies owned by the central organization are responsible for 4 per cent of total production. Co-operative manufactures include margarine, shoes, rubbers, galoshes, and light bulbs, and were undertaken to bring down high prices established by cartels.

The economic importance of the co-operative movement, not only to the members' but to the country's whole economic life, is obviously great, but the cultural aspects are perhaps of equal importance. The co-op weekly magazine, *Vi* ("We"), has the biggest circulation in the country and its staff and list of contributors include a number of outstanding writers. The Co-operative Union also operates a large publishing house, a people's college, one of the major correspondence schools, and engages in and supports a wide range of cultural and educational activities.

The Press and Radio

Freedom of the press is guaranteed in Swedish law and daily papers are read at the high rate of one for every two persons per day.

A revision of the freedom of the press law which took effect at the beginning of 1950 restates the essential right to publish printed material and codifies the statutes covering enforcement. Sweden was the first country to establish freedom of the press by law, in 1766, and the basic principles for present day practices were established in a more comprehensive provision dating from 1812.

The daily press is also economically

free. Newspapers are owned by private persons or non-government organizations with but a single exception, the *Post och Inrikes Tidningar* which publishes official notices. There are no large newspaper chains or syndicated columnists.

Circulation of daily newspapers has been increasing steadily since the beginning of the Second World War. There are 237 newspapers published oftener than once a week in a total of 251 editions. Twenty are published seven days a week, 133 six days per week. The total net weekday circulation of these 251 editions averages 3 356 700 (about one newspaper for every two inhabitants) and on Sunday 1 940 800.

Stockholm newspapers are read widely throughout the country, and, although the population of the city is less than one million, there are eleven daily papers. Average circulations of the Stockholm papers and several from Gothenburg and Malmö during the first half of 1949, based on statistics from the Swedish Audit Bureau of Circulations (Tidningsstatistik AB), were as follows:

<i>Stockholm</i>	<i>Daily</i>	<i>Sunday</i>
Aftonbladet (evening)	171 000	174 000
Aftontidningen (evening)	90 000	93 000
Arbetaren (morning)	10 000	—
Dagen (morning)	13 000	—
Dagens Nyheter (morning)	245 000	302 000
Expressen (evening)	148 000	162 000
Morgon-Tidningen (morning)	53 000	129 000
Ny Dag (morning)	34 000	—
Stockholms-Tidningen (morning)	184 000	223 000
Svenska Dagbladet (morning)	92 000	97 000
Svenska Morgonbladet (morning)	25 000	—
<i>Gothenburg</i>		
Ny Tid (morning)	38 000	—
Göteborgs Handels- och Sjöfarts-Tidning (morning)	36 000	—
Göteborgs-Posten (morning)	220 000	200 000
Göteborgs-Tidningen (evening)	41 000	208 000
<i>Malmö</i>		
Arbetet (evening)	46 000	67 000
Skånska Dagbladet (morning)	50 000	—
Sydsvenska Dagbladet Snällposten (morning)	66 000	130 000

A majority of these papers are either directly affiliated with or closely identified with a political party or political philosophy. Among those named above are representatives for all the major political parties as well as the free church movement, the Pentecostal churches, and the Syndicalists.

The distribution of newspapers and circulation is not in direct proportion to the strength of political parties, as appears from the following table based on statistics from the Audit Bureau of Circulations:

	Popular Vote 1948	No. of Papers	Circulation (total)	Circulation (% total)
Conservatives	12.3 %	81	746 500	22.2 %
Agrarians	12.4	19	146 700	4.3
People's Party (Liberal)	22.7	64	1 659 100	49.4
Social-Demo- crats	46.2	36	582 500	17.4
Communists	6.3	3	52 900	1.6
Others	0.1	34	169 000	5.1

The vast majority of Swedish newspapers are joint owners of a news gathering and distributing organization, *Tidningarnas Telegrambyrå* (TT), the dominating Swedish news service. TT exchanges news with large foreign bureaus and is responsible for news broadcasts on the Swedish radio.

The only Swedish broadcasting enterprise, *Radiotjänst*, is a corporation owned jointly by the government and certain private groups, including the press. There is no advertising on the Swedish radio. The principal source of income is from a fee of ten kronor annually paid by each owner of one or more radio sets. A network of transmitters is maintained throughout the country, all of which carry the same program. Radio programs are reviewed daily in the newspapers by qualified critics, and increasing attention is being given to radio drama. *Radiotjänst* also maintains regular shortwave service to



A lock in the Göta Canal, water route across Sweden from Gothenburg to Stockholm. Of great importance for transportation before the advent of the railroads, it is now principally a highly popular tourist route.

a number of foreign countries, including England and North America.

The leading company for distribution of newspapers and magazines, *Svenska Pressbyrån*, is owned by the press.

The major press organizations are the Swedish Newspaper Publishers Association, a trade organization representing more than 300 enterprises; the Swedish Association of Journalists, professional organization with more than 2 000 members; and the Press Club, an association not concerned with the special interests of any one group. There are also political press associations which provide their members with special services.

Journalism courses were established at the University of Gothenburg more than

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10 years ago and a course in journalism was opened at the University of Stockholm in 1950.

Post and Communications

There are 4 383 post offices in Sweden, and an efficient postal service. The telephone catalogue for Stockholm lists more than 100 substations for the roughly 1 000 000 people of Greater Stockholm alone. In addition to the usual postal functions and postal savings, the post offices offer a number of other services, notably the *Postgiro* or postal checking account department. A vast majority of check payments are handled this way, amounting to 103 billion in 1949. (There are only 22 commercial banks, some of which have networks of branches throughout the country. There are 460 savings banks.) Old age pensions and child subsidies are also distributed through the post offices.

The Swedish State Railways, a government enterprise, own about 88 per cent of the country's total trackage of more than 10 000 miles, including all the main lines. There are about $1\frac{2}{3}$ miles of track per inhabitant, exceeded on a per capita basis only in Canada, Australia, New Zealand, and the United States. Traffic amounts to almost 1.9 billion passenger miles and 4.1 billion ton-miles of freight per year. About one-third of the trackage is now electrified under a continuing program, and because it includes all the main lines 85 per cent of the total traffic moves by electric power. Canals have lost some of their traffic to the railroads, but there are some 50 000 ship passages through various canals annually.

There are 67 000 miles of scheduled buslines, of which the State Railways own or operate 26 000 and the rest are privately owned and operated. A Swedish enterprise, *Linjebuss*, maintains an international scheduled bus service to southern European points, particularly in France, Italy, and Switzerland.

The telephone and telegraph are owned

and operated by the state as a single company known as *Telegrafverket*. It maintains 7 265 local offices and the lines connecting them. There are 1531 500 telephones, or 221 per thousand inhabitants, a figure exceeded only in the U. S. A. Long distance calls are relatively inexpensive (the furthest point from Stockholm within Sweden—Riksgransen, 1 000 train miles—can be called for about 25 cents for an ordinary three-minute station-to-station call) and there are 105 446 000 long distance calls made annually. The long distance network is being automatized, and it is already possible to dial Södertälje from Stockholm, for example, a distance of 20 miles.

Religion

An estimated 350 000 Swedes gather for divine services every Sunday in about 5 000 churches and other places of worship, and attendance on festival days is vastly greater. Religious life centers around the State Lutheran Church and the so-called Free Church movements, of which a number are officially recognized within the State Church.

The primate of the Swedish Church is the archbishop of Uppsala, Yngve Brilioth, best known for his interest in ecumenical and other international church problems. The archbishop has no formal authority over the other 12 bishops, but administers the diocese of Uppsala in the usual way. He is, however, chairman of the Church Convention, he leads the meetings of bishops, and he is chairman of the principal central church agencies. The influence of the archbishop has been rising in recent years, partly because he is the church's international representative and spokesman.

The formal head of the church, as an official organization, is the king. Church affairs are handled in the cabinet by the Ecclesiastical Minister or, as at present (1950), by a minister without portfolio assigned to the Ecclesiastical department. The Church Convention, composed of re-



Harvest time in the northwestern part of the Province of Skåne, southern Sweden. Most agricultural lands are located in the southern provinces, but crops are grown successfully near the Arctic Circle.

representatives of the clergy and laymen of every diocese, has the final authority in some matters and must meet at least once every five years.

All Swedish citizens are formally members of the state church except the 380 000 who belong to the few officially recognized denominations. Church law is, however, currently being investigated by an official committee (1950) and the law may be revised soon. A decision is also expected on the question of whether women should be permitted to become pastors, a right granted them in Denmark within the last two years. The state church is financed principally by income from taxes levied generally.

There are about 3 000 ordained ministers serving some 2 500 congregations in the state church. They are officially agents

of the government, and their duties include most of the work of keeping birth and death records and other vital statistics. An elective church board in every congregation is responsible for its finances.

The Free Churches or non-conformist groups have their own administration, completely independent of the government, and their activities are financed wholly by voluntary contributions. Most of the members have not formally left the state church. There are about 5 000 such non-conformist congregations and about the same number of pastors or congregational leaders. The principal denominations have associated in a Free Church Co-operation Committee, the present (1950) chairman of which is Methodist Bishop Theodor Arvidson. Membership of the principal denominations is:

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Covenant Mission Church	106 000
Pentecostal Movement	100 000
Baptists	41 000
Salvation Army	36 000
Methodists	12 000
Free Baptists	5 000
Seventh Day Adventists	3 000

As of 1936 there were about 5 500 Roman Catholics, 250 Greek Orthodox Catholics, and 6 700 Jews (counting Swedish citizens only).

Literature

The Swedish book publishing industry makes an estimated 3 000 new titles available to Swedish readers annually (1949). These include not only the work of Swedish writers but a comprehensive selection of translations of the major work appearing in England, France, the rest of Europe, and the United States. An unusually large amount of literature is read by Swedes in the original language, especially in English. The major bookstores, including those of relatively small provincial cities, carry extensive stocks of literature in the original language, with English, French, and German naturally predominating.

Some idea of the tremendously great per capita book consumption in Sweden can be obtained from the popular and book club editions of good titles, which now go up to about 3 000 000 volumes a year. This represents almost one book for every two persons, and would compare with about 65 000 000 volumes in the United States, for example. Two publishing houses sell more than one million copies each of such reprints annually. These editions, of course, are only a fraction of total book sales in Sweden.

Relatively few Swedish authors are translated into the major languages of the world, and the works available in translation are insufficient to give an adequate idea of the intense literary activity in Sweden in this century. Strindberg is not only known principally as a dramatist but a large share of his works date from before the turn of the century. Selma Lagerlöf is perhaps best known of

Swedish authors outside her native country, but most of her major works also date from around the turn of the century.

Among the works of fiction which have aroused wide interest in the last year or two are *Vagen till Klockrike* (The Road to Klockrike) by Harry Martinson, *Utvandrarna* (The Emigrants) by Vilhelm Moberg, and *Barrabas* by Pär Lagerkvist. *Klockrike* is an extremely sensitive account of the life of a tramp and perhaps the best work of Martinson, former sailor and stoker, to date. Moberg's book is the first of a definitive trilogy based on the great wave of emigration from Sweden to the United States beginning about the middle of the last century. *Barrabas*, as the name suggests, is a fictionalized biography of the life of the man released when Christ went to the cross and is an imaginative, finely drawn portrait. Some of the essays of Frans G. Bengtsson, long among the most popular reading in Sweden, were recently made available in English translation under the title *A Walk to an Anthill*.

About the time his latest book was published, Harry Martinson was elected to the Swedish Academy, the Swedish counterpart of the French Academy, consisting of 18 members, outstanding representatives of various aspects of cultural life. Among the members are several other of the important older or middle-aged authors, of which most are still productive and play an important part both as writers and critics. They are Gustaf Hellström and Sigfrid Siwertz, novelists and critics; Anders Österling, lyricist and critic and secretary of the academy; Hjalmar Gullberg, lyricist and chief of radio theater; and the versatile Pär Lagerkvist, often suggested in discussions of candidates for the Nobel Prize in literature. Per Hallström is the oldest among them and known for his translation of Shakespeare, among other works. The most important woman author since Selma Lagerlöf, Elin Wägner, belonged to the academy until her death in 1949.

Important authors who have died re-

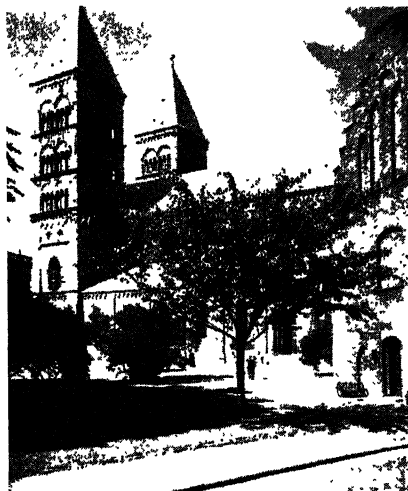
lately recently are now beginning to be published in uniform, complete editions. Among them is a large edition of the novels, stories, and plays of Hjalmar Bergman, a unique genius, which are being published by his friend, Johannes Edfeldt, a fine poet, in co-operation with Bergman's widow, Mrs. Stina Bergman. Agnes von Krusenstierna's collected novels and stories are also being published. They played a decisive role in the literary debates of the 1930's. Karin Boye's collected prose and poetry, which belong to the best in the Swedish language, have begun to be given out by her friend, the critic Margit Ahenius.

Newspapers are the principal purveyors of literary criticism, and daily devote several columns to reviews and literary debates by the principal literary and critical figures. There is a great range of weekly and monthly periodicals, from general magazines to highly specialized trade, professional, and scientific journals.

Strindberg Anniversary

A major literary anniversary, the one-hundredth anniversary of the birth of August Strindberg (1849-1912), was observed in Stockholm and elsewhere in 1949. He is probably Sweden's best known author and one of the great figures of the modern drama. On Strindberg's birthday, Jan. 22, the Royal Dramatic Theater in Stockholm presented Olof Molander's production of the seldom performed "Stora Landsvägen" (The Great Highway), Strindberg's last work for the stage and his spiritual testament, and followed it by a number of performances of other Strindberg works. A collection of previously unpublished Strindberg letters and a number of works about him were given out in Sweden in connection with the anniversary.

The same year a new biography was published in New York, *The Strange Life of August Strindberg*, by Elizabeth Sprigge (MacMillan). His major works include fifty-two plays, eight autobiographical



Sweden has many magnificent old churches from the Roman Catholic era before the Reformation. The massive Cathedral of Lund dates from the twelfth century.

novels, and twenty-seven miscellaneous books of essays, stories, poems, philosophy, and science. Some of his major plays were also again made available in English in *Eight Famous Plays by August Strindberg*, published in New York by Charles Scribner's Sons (1949).

Sweden has few important dramatic authors aside from Strindberg. Among those who have written successfully for the stage are Hjalmar Bergman, Pär Lagerkvist, Rudolf Värnlund, and Vilhelm Moberg. The young generation of authors has recently begun to turn toward the stage, among them Stig Dagerman, Lars Ahlin, and Björn Erik Højer.

Theater

Stockholm, with a population of less than a million, has 12 legitimate theaters, Gothenburg (pop. 334 000) has 2, and

even such small cities as Norrköping (83 000) and Linköping (52 000) share a full-time professional theater company of high quality. Theater is also available to the people of sparsely populated, isolated districts. A travelling National Theater, subsidized by the government, played 1 200 performances in 1949-50 in communities too small to have permanent companies.

Income from the national lottery supports the national theater and opera, city theaters, and the travelling theater at the rate of 5 246 000 kronor per year (1950-51). This, combined with wide public interest and support, makes it possible for Swedes to see an almost unlimited variety of drama from all parts of the world.

Swedish stages are often the first to introduce English, American, and French plays outside their own countries, and practically all major successes from London, New York, and Paris appear in Sweden relatively soon after their original presentation.

Motion Pictures

Sweden has 4 major film studios and a number of independent production companies, which in 1949 produced 32 pictures. Among recent international successes have been "Torment" or "Frenzy," a feature picture directed by young Ingmar Bergman, and "Rhythm of a City," a short directed by Arne Sucksdorff which won the American Film Academy's top award, an "Oscar."

Swedish motion pictures had their greatest era during the silent film period when names of such directors as Mauritz Stiller and Victor Sjöström were well known in other countries. Swedish motion pictures declined in popularity abroad with the introduction of sound but have been making a comeback in recent years. Sweden has contributed a number of internationally-known stars to London and Hollywood, of whom the best known is Greta Garbo.

Nobel Prizes

The Nobel Prizes were established by bequest of Alfred Bernhard Nobel, inventor of dynamite, who died in 1896. They are awarded annually in Stockholm and Oslo on December 10, the anniversary of Nobel's death. They not only constitute high international recognition for work in science, literature, and peace but carry with them substantial awards ranging from 114 935 Swedish crowns (1923) to 173 206 crowns (1931). Awards in 1950 were 821 518 80 kronor, the equivalent of \$158 594 36, divided into five prizes.

Nobel, born in Sweden in 1833, realized a tremendous fortune from his invention of dynamite, and the capital funds of the Nobel Foundation, the income from which provides the prize money, currently amount to more than \$10 000 000. Nobel never married, and his will provided that the awards should go to those "who during the past year have done humanity the greatest service." Prize winners in literature are selected by the Swedish Academy, in chemistry and physics by the Swedish Academy of Science, in medicine by the faculty of the Caroline Institute, and the peace prize winner is chosen by a committee of the Norwegian Parliament.

The 1950 prizes went to:

Physics: Prof. CECIL F. POWELL, England.

Chemistry: Divided equally between Prof. OTTO DIELS and Prof. KURT ALDER, both of Germany.

Physiology and Medicine: Divided equally between Prof. EDWARD C. KENDALL, Dr. PHILIP S. HENCH, both of the United States, and Prof. TADEUS REICHSTEIN, Switzerland.

Literature: BERTRAND RUSSELL, England.

The 1949 prize in literature was reserved for distribution in 1950, and was awarded to WILLIAM FAULKNER of the United States.

Peace: Dr. RALPH BUNCHE, United States.



From the home of Carl Milles near Stockholm, where the famous sculptor has collected a number of art treasures. It is open to the public, as is the home of the late Prince Eugen, Waldemarsudde.

Sports and Athletics

Sports and athletics are notable for the almost complete absence of professionalism and the extent to which the people as a whole take part in organized physical activities. The largest athletic association, the National Sports Federation, numbers 710 000 persons in 27 member organizations composed of 8 678 local clubs and associations. An additional 22 sports and athletic associations not affiliated with this organization have 785 000 members altogether (1950). The combined figures are equal to almost one fourth of the total population.

Soccer is the most popular organized sport, with about 60 000 scheduled

matches annually. All players are amateurs. Of 274 international soccer matches played up to the middle of 1949 Swedish teams had won 140 and 40 had been ties.

The most popular organized winter sport is bandy, an almost exclusively Scandinavian game, played on skates on an ice rink substantially larger than a hockey rink and with eleven men to the team. Equipment and rules are different, but the basic principles are quite similar to hockey.

Sweden gathered the greatest number of points in the last Winter Olympics in Switzerland and came second to the United States in the London Summer Olympics the same year. Despite its relatively small population, Sweden again

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ranks second only to the United States in collective victories throughout the 50 years of the existence of the Olympic Games.

The Swedish landscape is ideally suited for skiing, cross country running, and water sports of all kinds, and Swedes hold a number of world's records particularly in cross country skiing and distance running. The skiing season in the mountains lasts well into May, and the estimated number of visitors to the mountains annually is well above 200 000.

An unusually demanding sport popular in Sweden is orienteering, in which contestants race up to 65 miles over difficult mountain terrain, making their way with map and compass. The races take up to three days. Contestants are required to climb mountains, swim rivers, find their way through near-impenetrable forests, and live from packs on their backs. There are 1 500 orienteering clubs and associations and the training is regarded as unusually effective preparation for any military eventualities.

Gymnastics are practiced in 2 795 clubs and associations. Part of their popularity can be ascribed to Per Henrik Ling, nineteenth century Swede who founded modern scientific gymnastics. Fifty-eight nations sent representatives to the 1949

Lingiad in Stockholm celebrating his memory. Among them were 5 000 Swedish housewives selected from among the 30 000 or so who participate in organized gymnastics on a voluntary basis.

Sports and athletics are officially encouraged by the national and local governments. Two government funds have distributed more than 50 000 000 crowns (about \$10 000 000) for building sports and athletic facilities and outdoor recreational facilities over the last 15 years. Principal source of the funds are the government operated soccer betting pools, which run 40 weeks annually.

Boxing and horseracing are the only two sports practiced professionally. Practically all generally recognized sports and athletics are carried on by amateurs and have their own organizations, including badminton, table tennis, bowling, cycling, fencing, golf, tennis, fishing, figure skating, ice hockey, hunting, swimming, canoeing, sailing, and others.

An important aspect of Swedish recreation is unorganized outdoor life. Week-end and vacation camping trips are highly popular forms of relaxation for a large part of the population, and such trips to wooded or rural areas, often by bicycle, are common among city dwellers.

CO-OPERATION AT WORK

Practical co-operation between the Northern Countries has been an ideal for centuries, and today is perhaps expressed most successfully in the legislative field. Identical or nearly identical legislation, adopted by the independent lawmaking bodies of the various countries, and separate covenants covering specific fields tend to guarantee the citizens of all five countries the rights and responsibilities of each of them. A recent and good example is the agreement of August 27, 1949, under which a citizen of Denmark, Finland, Iceland, Norway, or Sweden is eligible for an old age pension in any of the other countries after residence of five years, under exactly the same terms as citizens of the country in question.

Perhaps the most ambitious of all attempts for unity among the Northern Countries was the Kalmar Union of the year 1397, by the terms of which all the territory now occupied by the Northern Countries came under the rule of a single sovereign for the one and only time in history. Among the provisions of the act of union were a pledge of mutual peace, of mutual aid in case one country was attacked, the right to local legislative autonomy, and an agreement that an outlaw in one of the countries should not find refuge in another.

Despite the high aims of the Kalmar Union, it produced neither mutual faith nor peace. Revolts began in less than 50 years, and after decades of sporadic conflict the union was dissolved in 1527. Centuries of war between the former parties to the union and with other European powers followed.

Modern co-operation, although proceeding from the absolute sovereignty of the individual Northern Countries, has been a good deal more realistic. They have lived at peace with each other for

more than a century, and during that time have evolved effective means for working together for their mutual benefit in limited, but important, fields.

One of these is the field of social security, where the principle of reciprocity was applied earliest and to the fullest extent for industrial accident insurance. A reciprocity convention was signed between Norway, Denmark, and Sweden in 1919, extended to Finland in 1923, and in 1927 to Iceland.

In the field of family law, co-ordination has been achieved between all the five Northern Countries in regard to marriage, divorce, and adoption.

Because the recommendation for identical laws are not mandatory, and because there is some variation in problems, sometimes joint or identical action is limited to two countries, sometimes it applies to three or four, and often to all five. Among the most important common codifications applying to three or more of the Northern Countries are the Navigation Act of 1892, the Purchasing and Selling law of 1905-07, the Marriage Law of 1921-25, and a number of laws dealing with trademarks, registrations, promissory notes, property, air traffic, insurance, and the like.

Today a permanent organization with two delegates from each of the Northern Countries is officially entrusted with the task of keeping up with legal developments and making recommendations for fields of mutual action. Among joint investigations currently underway are those dealing with rights to literary and artistic works and photographs, trademarks, and traffic laws. The question of civil damages has already been studied and will probably be taken up for action by the various countries soon.

The ideal of co-operation between the Northern countries is expressed practi-

CO-OPERATION AT WORK

cally in a number of other ways. The Northern Cultural Commission, founded in 1946 on the initiative of the ministers of education from the five countries and with delegates appointed by the respective governments, seeks to further the cultural exchange in the fields of education, theater, art, literature, and the like.

The Norden Society is also active in the cultural field, sponsoring student exchanges and meetings and festivals for the five countries.

There have even been efforts to rewrite history textbooks more objectively in the various countries, eliminating the excesses of patriotism and mutual recrimination which have stemmed from some of the violent military conflicts of bygone centuries.

Scandinavian Airlines System

A widely heralded example of practical co-operation is the Scandinavian Airlines System. It represents the combined forces of a Danish airline, DDL, a Norwegian line, DNL, and a Swedish line, ABA, on all their routes, and in its five years of existence has become one of the major airlines of the world.

SAS now flies to 67 cities in 37 countries on five continents. The furthest reaches of its scheduled routes are Tokyo, Nairobi, Buenos Aires, New York, and Tromsø, Norway. By the middle of 1951, service will probably have been extended to Santiago, Chile.

The story of SAS goes back to before the Second World War, when the idea of inter-Scandinavian co-operation to survive the growing international competition was first suggested. Despite the war, discussions went on, and negotiators were sent by underground channels from occupied Norway and Denmark to meetings in Sweden. Agreements were reached and planning went ahead so rapidly that on August 1, 1946, the formal over-all agreement was signed. A few weeks later a plane bearing the flags of three nations took off on the first scheduled SAS flight to New York. Within three months service was expanded to Africa and South America. The system of co-operation on these runs worked so well that the same type of joint operations was introduced for the international European services in April of 1948.

In 1951 the SAS organizations have been consolidated into one single head office in Stockholm and regional offices for Denmark in Copenhagen, for Norway in Oslo, and for Sweden in Stockholm. The Central head office has taken over the activities and responsibilities of the former European and overseas divisions of SAS.

Another example of successful co-operation in the commercial field is the Scandinavian Co-operative Association, a joint purchasing society of co-operatives in the Northern Countries which showed a turnover of 75 000 000 kronor in 1939.

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